

CITY OF GRASS VALLEY

2003 - 2009 HOUSING ELEMENT

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City of Grass Valley 2003 – 2009 Housing Element

Grass Valley City Council

Patti Ingram, Mayor
DeVere Mautino, Vice Mayor
Steve Enos
Linda Stevens
Gerard Tassone

Grass Valley Planning Commission

Dale White, Chair
Gloria S. Hyde, Vice Chair
Lisa Swarthout
Paul Aguilar
Jim Bair

Grass Valley Community Development Department

Joseph Heckel, Community Development Director
Thomas Last, Planning Director
Dan Chance, Associate Planner
Leslie Harris, Assistant Planner
Joshua Dorris, Assistant Planner

Consultant

Cotton/Bridges/Associates
A Division of P&D Consultants



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I. INTRODUCTION

A. Purpose and Content of Housing Element

The Housing Element of the General Plan is designed to provide the City with a coordinated and comprehensive strategy for promoting the production of safe, decent, and affordable housing within the community. A priority of both State and local governments, Government Code Section 65580 states the intent of creating housing elements:

The availability of housing is of vital statewide importance, and the early attainment of decent housing and a suitable living environment for every California family is a priority of the highest order.

According to state law, the Housing Element has two main purposes:

- (1) To provide an assessment of both current and future housing needs and constraints in meeting these needs; and
- (2) To provide a strategy that establishes housing goals, policies, and programs.

Beyond State law requirements, Grass Valley has areas of special priority that provide additional purpose to the Housing Element. The unique conditions and market forces in play in the local housing market require that the Housing Element focus on additional concerns, such as the high proportion of rental homes in the City versus the rest of the County, the lower average income of households versus other cities in the area, and environmental constraints to accommodating additional housing at higher densities due to topography and other factors. The State-mandated concerns and the local concerns combine to set the foundation upon which this Housing Element is built.

The Housing Element is a five-year plan for the 2003-2009 period, which differs from other General Plan elements, which cover the period of 1999-2020. The Housing Element serves as an integrated part of the General Plan, but is updated more frequently to ensure its relevancy and accuracy. The Housing Element identifies strategies and programs that focus on:

- Matching housing supply with need;
- Maximizing housing choice throughout the community;
- Assisting in the provision of affordable housing;
- Removing governmental and other constraints to housing investment; and
- Promoting fair and equal housing opportunities.

The Housing Element consists of the following major components:

- A profile and analysis of the City's demographics, housing characteristics, and existing and future housing needs (Chapter 2).
- A review of the resources and constraints to housing production and maintenance. Resources include land available for new construction, as well as financial and administrative resources available for housing. Constraints include potential market, governmental, and environmental limitations to meeting the City's identified housing needs (Chapter 3).
- A statement of the Housing Plan to address the City's identified housing needs, including an assessment of past accomplishments, and a formulation of housing goals, policies and programs (Chapter 4).

B. Community Context

The City of Grass Valley faces a critical need to plan for and provide sufficient housing units, resources, and programs for our residents. Rising housing costs, a large anticipated population growth, and changing demographics all illustrate the need to develop an approach and strategy to producing housing that matches the needs of the existing and future population of the community. Based on the most up-to-date data, resources, and knowledge available, the City has undertaken the task of planning to meet housing needs for the period from 2003 to 2009. The result of this effort is the updated Housing Element of the General Plan.

Many unique circumstances face our community and the provision of adequate housing for all residents is dependent upon creating a program that adequately addresses these issues. Since the late 1990s, Grass Valley has experienced a substantial rise in housing costs, however, median household income in the City continues to fall well short of that in the rest of the County, including in Nevada City and Truckee. The community also has a much higher percentage of rental housing than the County, and must ensure that new programs meet the needs of both future homeowners and renters alike.

Within this broad context, the City must address key housing challenges over the 2003-2009 planning period. These challenges include:

- Providing sufficient sites for additional housing;
- Providing for a range in types and prices of housing;
- Providing for those with special housing needs;
- Addressing issues of overcrowding, overpayment, and low vacancy rates; and
- Maintaining and improving the local environment and quality of life in Grass Valley.

The 2003-2009 Housing Element addresses these issues through a comprehensive housing strategy. Creating a suitable and effective housing strategy is a complex process, but one defined by the needs of those living and working within the community. The diverse population of Grass Valley requires an approach that can produce an equally diverse range of housing choices, including single-family homes, apartments, housing for special needs groups (including the homeless), and many others. The content of the Housing Element begins with an assessment of the major issues

facing housing production and maintenance within the community, and then develops strategies for ensuring that the City has an approach and structure capable of facilitating the housing necessary to meet projected community needs.

C. State Requirements

The California Legislature has identified the attainment of a decent home and suitable living environment for every resident as the State's major housing goal. Recognizing the important role of local planning programs in pursuing this goal, the Legislature has mandated that all cities and counties prepare a housing element as part of their comprehensive general plan. Section 65302(c) of the Government Code sets forth the specific components to be contained in a community's housing element.

State law requires housing elements to be updated at least every five years to reflect a community's changing housing needs. The 1993 Grass Valley Housing Element covered the five-year period spanning 1992 through 1997. However, due to an economic downturn in the mid-1990s and a shortfall in State funds, the Legislature extended the planning period for the 1992 Housing Element through June 30, 2009. Thus, this Housing Element covers the planning period of July 1, 2003 to June 30, 2009. Special legislation was later adopted to provide an extension for completing the Housing Element update to December 31, 2003.

A critical measure of compliance with the State Housing Element law is the ability of a jurisdiction to accommodate its share of the regional housing needs – Regional Housing Needs Allocation (RHNA). For Nevada County, the regional growth projected by the State was for the period between January 1, 2001 and June 30, 2009. Therefore, while the Housing Element is a five-year document covering July 1, 2003 to June 30, 2009, the City has seven and one-half years (January 1, 2001 to June 30, 2009) to fulfill the RHNA.

D. Data Sources and Methodology

In preparing the Housing Element, various sources of information were used. Wherever possible, Census 1990 and 2000 data provided the baseline for all demographic information. Additional sources provided reliable updates to the 2000 Census. These include housing market data from Dataquick, employment data from the Employment Development Department, lending data from financial institutions provided under the Home Mortgage Disclosure Act (HMDA), and the most recent data available from service agencies and other governmental agencies. In addition, the City's 2003-2009 Housing Element implements the most recent changes to State Housing Element law, including those affecting the development, maintenance, and improvement of housing for persons with disabilities.

E. Summary of Findings and Policies

To address the community conditions and housing needs identified within this Housing Element, the city has adopted actions to facilitate the development of the regional housing needs allocation, programs to assist in the production and rehabilitation of a wide range of housing and shelter, as well as programs that establish supportive services for all income levels and special interest groups. Programs included within the Housing Element include some of the following provisions in order to achieve the intended goals of the planning effort:

- Provide adequate sites for housing through planning studies, mixed-use development opportunities, and an analysis of appropriate zoning designations;
- Amend the City's Zoning Ordinance to update the density bonus program commensurate with state law requirements;
- Continue implementation of state law requirements regarding redevelopment;
- Pursue state and federal funding opportunities;
- Monitor the progress of Housing Element goals that have been achieved on an annual basis; and
- Amend the Zoning Ordinance to reduce regulatory barriers to the development of affordable housing.

F. Public Participation

All segments of the community were encouraged by the City to participate in the preparation of the Housing Element through a combination of general public notices and direct contacts with organizations serving low-income and special needs groups and inviting them to attend a public workshop on the Housing Element. To provide opportunities for public participation in the preparation of the Housing Element, the City conducted a Planning Commission workshop on May 20, 2003 and a public workshop on June 23, 2003 to explain the purpose and contents of the Housing Element, state requirements, and the update process.

The City conducted public hearings before the Planning Commission and City Council on September 3, 2003 and September 23, 2003 on the draft Housing Element to accept public comments prior to submittal of the draft to the California Department of Housing and Community Development for mandated state review.

Written invitations were sent to community-based organizations, nonprofit housing organizations, building industry representatives, and public agencies; public notices in The Union, and posted notices in City buildings. The City notified these interested parties of the availability of the Housing Element and provided each organization with a copy of the document for its review and comment.

The following organizations were contacted during the preparation of the Housing Element:

- Nevada County Board of Supervisors
- Economic Resource Council
- FREED (Equality Employment for the Disabled)

- Grass Valley Downtown Association
- Grass Valley/Nevada City Chamber of Commerce
- Habitat for Humanity
- Nevada Local Agency Formation Commission (LAFCo)
- Nevada City
- Nevada County Contractor's Association
- Nevada County Grand Jury
- Nevada County Transportation Commission
- Nevada County
- SCO Planning and Engineering (Workforce Housing Member)
- Sierra Planning Organization

The City also conducted public hearings before the Planning Commission and City Council on the Housing Element to solicit public comments prior to adoption. The Planning Commission hearing was held on December 16, 2003 and the City Council hearing on January 27, 2004.

Comments made by the public regarding the Housing Element included the following:

- A resident inquired about potential annexations into the City.
- A resident inquired about traffic concerns.

To address these comments, the City recommends readers refer to Section IV of the Housing Element for a discussion of land requirements necessary to accommodate new housing, including consideration of whether annexations are necessary to meet housing demands. For traffic and transportation inquiries, the reader is directed to the Transportation Element of the General Plan.

G. General Plan Consistency

The Housing Element is a component of the General Plan, which provides guiding policy for all growth and development within the community. The General Plan consists of nine Chapters (referred to as Elements) that address both the State-mandated planning issues plus optional subjects that are of particular concern within Grass Valley. These elements are:

- Land Use,
- Circulation,
- Conservation/Open Space,
- Noise,
- Safety,
- Recreation,
- Historical Resources,
- Community Design, and
- Housing

State law requires consistency among Chapters of the General Plan. As such, goals and policies contained within the Housing Element should be interpreted and implemented consistent with the goals and policies of the rest of the General Plan. To ensure that the contents of the 2003-2009

Housing Element maintain consistency with the other elements of the adopted General Plan, a consistency analysis of the entire document was conducted. Table I-1 provides the goals and policies of the Housing Element and other General Plan policies that support them.

The City will continue to ensure consistency between the Housing Element and other General Plan elements so that policies introduced in one element are consistent with other elements. At this time, the Housing Element does not propose significant changes to any other element of the General Plan. However, if it becomes apparent that over time changes to any element are needed for internal consistency, such changes will be proposed for consideration by the Planning Commission and City Council.

**Table I-1
General Plan Consistency Analysis**

Land Use Element	Policy
2-LUP	Require adequate information when reviewing development proposals, including full environmental review and fiscal impact analyses, to assure minimization of environmental, public facilities, and services impacts.
3-LUP	Maintain standards for population density and building intensity for each land use category identified in the General Plan.
4-LUP	Identify areas appropriate for infill development and show them on the Land Use diagram.
6-LUP	Develop a more specific development strategy for identified infill parcels following General Plan adoption.
7-LUP	Utilize California Redevelopment Law to provide incentives to infill development.
8-LUP	Encourage and facilitate mixed-use development on infill sites.
9-LUP	Provide for higher residential densities on infill sites and in the Downtown area.
12-LUP	Permit increases in residential density (clustering) on portions of development sites while maintaining overall density.
17-LUP	Utilize California Redevelopment Law, where appropriate, to enhance older neighborhoods and protect them from blighting influences.
21-LUP	Provide for secondary housing units on single-family residential lots.
22-LUP	Assure that a sufficient number of sites are zoned for multiple family use.
23-LUP	Encourage mixed-use developments incorporating a variety of densities on infill sites and in areas proposed for annexation.
24-LUP	On large parcels, encourage clustering of residential units on the most developable portions of the site in order to reduce infrastructure and other housing-related construction costs.
26-LUP	In partnership with housing developers, consider use of Community Development Block Grant funds, redevelopment funds, and other funding programs that may become available from time-to-time to reduce the cost of housing for low and moderate-income families.
Historic Element	Policy
3-HP	Establish appropriate design standards and elements that complement Grass Valley's historic heritage in newly developing areas.
10-HP	Where historic and prehistoric cultural resources have been identified,

**Table I-1
General Plan Consistency Analysis**

	the City shall require that development be designed to protect such resources from damage, destruction, or defacement.
Community Design Element	Policy
8-CDP	Provide opportunities for attached housing units in single-family residential areas, when attached housing will be consistent with established densities and neighborhood appearance.
9-CDP	Continue to allow second units on lots in single-family residential areas, subject to appropriate development standards and design criteria.
12-CDP	Provide a mixture of residential unit designs in all major new residential developments.



II. COMMUNITY PROFILE

A. Population and Household Characteristics

1. Population Trends

The population of Grass Valley in January 2003 was 11,999, as estimated by the California Department of Finance. Between 2000 and 2003, the population of Grass Valley increased by 1,077 people, about ten percent. By comparison, Grass Valley's population increased by 21 percent between 1990 and 2000, or two percent per year (Table II-1).

Population projections for Grass Valley show that, by 2020, the City may have 23,395 residents, double the current population and double the rate of population growth between 1990 and 2000. The 2000 population for Grass Valley in Table II-2 is for the General Plan (GP) Planning Area, which includes the existing incorporated city, sphere of influence, and areas that will likely be annexed into the Grass Valley. The 5,078 people included within the GP Planning Area but not in the city's 2000 population currently live outside the City limits but within the city's Sphere of Influence or project annexation areas. By comparison, Nevada County's population is expected to grow by approximately two percent per year.

Table II-1
Population Growth (1990 and 2000)

Jurisdiction	1990	2000	Numeric Change	Percent Change
Grass Valley	9,048	10,922	1,874	21%
Nevada County	78,510	92,033	13,523	17%
Nevada City	2,855	3,001	146	5%
Truckee	3,484	13,864	10,380	298%

Source: U.S. Census, 1990 and 2000

Table II-2 shows population projections for Grass Valley and Nevada County.

Table II-2
Population Projections (2000 and 2020)

Jurisdiction	2000 Population	2020 Population	Numeric Change	Percent Change
Grass Valley (GP Planning Area)	16,000	23,395	7,395	46%
Nevada County	92,033	133,200	41,167	45%

Source: Grass Valley GP 2020; DOF E-5

2. Age Characteristics

Between 1990 and 2000, Grass Valley's population experienced significant growth in the number of persons under 24 and between the ages of 45 and 54. All other age groups experienced moderate increases over the ten-year period, except those in their mid-20s to mid-30s, which decreased slightly.

Approximately 700 people between the ages of 45 to 54 moved to Grass Valley during the 1990s. That is an increase of over 100 percent in ten years. The number of children increased by 428 people, or 30 percent.

Table II-3
Age Characteristics (1990 and 2000)

Age Group	1990		2000	
	Persons	Percent	Persons	Percent
Preschool (<5 yrs)	674	7%	700	6%
5-17	1,419	16%	1,847	17%
18-24	812	9%	1,021	9%
25-34	1,376	15%	1,276	12%
35-44	1,332	15%	1,456	13%
45-54	684	8%	1,400	13%
55-64	631	7%	819	8%
65+	2,120	23%	2,403	22%
Total	9,048	100%	10,922	100%

Source: U.S. Census, 1990 and 2000

3. Race and Ethnicity

As seen in Table II-4, 88 percent of the total population, or 9,628 people, identified themselves as non-Hispanic whites in the 2000 census. Over the ten-year period from 1990 to 2000, the number of people identifying themselves as Latino/Hispanic living in Grass Valley doubled. The Hispanic

population, which is the second largest ethnic group in Grass Valley, comprises six percent of the total population.

**Table II-4
Grass Valley Race and Ethnicity (1990 and 2000)**

Race/Ethnicity	1990		2000	
	Persons	Percent	Persons	Percent
Race, Not of Latino/Hispanic Origin				
White, not of Hispanic origin	8,468	94%	9,628	88%
African American	13	0.1%	29	0.3%
Native American	127	1.4%	106	1%
Asian or Pacific Islander	81	0.9%	123	1%
Other race	1	0.01%	319	3%
Latino/Hispanic Origin	358	4%	717	6%
Total	9,048	100%	10,922	100%

Source: U.S. Census, 1990 and 2000

Note: Difference is due in part to the Census allowing for Other Race category to include persons of multiple descents whereas, in the past, persons were only counted for their "dominant" ethnic or racial background.

4. Household Type

In 2000, 5,075 households resided in Grass Valley. About half (54 percent) were family households, two or more persons sharing a dwelling unit who were related in some way. Grass Valley has a lower percentage of family households than countywide (74 percent) largely due to large number of single adults and seniors. Between 1990 and 2000, the number of married couple families decreased slightly, while the number of married couple families with children increased slightly. The number of female-headed households, including single women with children, increased significantly.

Minimal change in household size occurred between 1990 and 2000. In 2003, the average household size in Grass Valley was estimated at 2.11, according to the California Department of Finance.

Table II-5 shows changes in types of households in Grass Valley from 1990 to 2000.

Table II-5
Changes in Household Type (1990 and 2000)

Household by Type	1990	%	2000	%
Household				
Total Households	4,174	100.00%	5,075	100.00%
Average Household Size	2.12		2.13	
Average Family Size	2.78		2.80	
Family Household (families)	2,317	56%	2,723	54%
Married-Couple Families	1,594	38%	1,547	30%
With Children	650	16%	722	14%
Female Householder, no spouse	548	13%	915	18%
With Children	431	10%	612	12%
Non-Family Households	1,857	44%	2,352	46%
Group Quarters (Non-Household Population)				
Persons in Group Quarters	259	3%	260	2%

Source: 1990 and 2000 Census

Note: Some cells do not total 100% due to rounding corrections.

5. Household Income

Historically, the median income for Grass Valley has been significantly lower than for other communities in Nevada County (Nevada City, Truckee, and unincorporated communities in the county). In 2000, the median income in Grass Valley was \$28,182, nearly \$8,500 less than Nevada City's median income and over \$17,500 less than the median incomes for both Nevada County and Truckee. Lower incomes in Grass Valley are the result of several factors: 1) the high percentage of renter households (57 percent of all households), 2) the high proportion of government-assisted rental apartments (most of the subsidized rental housing in Nevada County is located in Grass Valley), and 3) the high proportion of jobs that pay low- to moderate-wages. The median income of renter households (\$23,319) was significantly lower than for homeowners (\$35,552).

Nevada County's estimated median family income is \$59,000 (2003), according the California Department of Housing and Community Development (HCD).¹

Table II-6 compares median incomes for Nevada County and its cities in 2000. Table II-7 shows income in relation to tenure for 2000 in Grass Valley.

¹ HCD's estimate of median income is based on federal income guidelines that are used in determining eligibility for various federal housing and community development programs. The federal guidelines define five levels of income based on the family median income: extremely low (0 - 30 percent of median income), very low (31 - 50 percent of median income), low (51 - less than 80 percent of median income), moderate (80 - 120 percent of median income), and above moderate (over 120 percent of median income). The median family income is adjusted for household size. For example, the median family income for a household size of three is \$53,100, less than for a family of four (\$59,000). The federal income guidelines are not directly related to the U. S. Census estimates of income.

**Table II-6
Nevada County Median Incomes (2000)**

Jurisdiction	Median Household Income
Nevada County	\$45,864
Grass Valley	\$28,182
Nevada City	\$36,667
Truckee	\$58,848

Source: Census 1990, 2000

**Table II-7
Household Income by Tenure (2000)**

Income	Households	% of Total
Owner Occupied		2,189
Less than \$5,000	51	1%
\$5,000 to \$9,999	135	3%
\$10,000 to \$14,999	204	4%
\$15,000 to \$19,999	125	2%
\$20,000 to \$24,999	181	4%
\$25,000 to \$34,999	389	8%
\$35,000 to \$49,999	402	8%
\$50,000 to \$74,999	447	9%
\$75,000 to \$99,999	134	3%
\$100,000 to \$149,999	67	1%
\$150,000 and more	54	1%
City Median Income - All Owners		\$35,552
Renter Occupied		2,881
Less than \$5,000	183	4%
\$5,000 to \$9,999	325	6%
\$10,000 to \$14,999	398	8%
\$15,000 to \$19,999	370	7%
\$20,000 to \$24,999	260	5%
\$25,000 to \$34,999	539	11%
\$35,000 to \$49,999	363	7%
\$50,000 to \$74,999	264	5%
\$75,000 to \$99,999	113	2%
\$100,000 to \$149,999	48	1%
\$150,000 and more	18	0.36%
City Median Income - All Renters		\$23,319
City Median Income - All Households		\$28,182
Total		5,070

Source: Census 2000

Note: 2000 Census information is from 1999

6. Poverty Rate

The poverty rate is another indicator of housing need. The poverty rate is the proportion of the population with incomes below a subsistence level of income. Originally used in the 1960s as an estimate of the minimum income needed to obtain a nutritious diet, clothing, shelter, and other basic necessities of life, the definition of "poverty" has undergone several revisions over the decades. The dollar amount, or threshold, that defines poverty is established each year by the Census Bureau. The threshold varies by household size and composition. For example, the 2002 poverty threshold for a single person under 65 years of age was \$9,359. The poverty threshold for a family of two adults and two children was \$18,244 in 2002.

Because of lower incomes in Grass Valley, the poverty rate is higher than in other Nevada County communities. In 2000, 15 percent of the Grass Valley's residents lived in poverty. Countywide, only eight percent of residents lived in poverty. The population group most likely to have poverty level incomes were families with children under five years of age (29 percent), particularly female-headed families with children under five years of age (62 percent).

Table II-8 shows poverty status by population and family type in 1999 in Grass Valley.

Table II-8
Poverty Status (1999)

Households	City of Grass Valley		Nevada County	
	# Below Poverty	% Below Poverty	# Below Poverty	% Below Poverty
Total Population	1,616	15%	7,332	8%
Under 18	531	20%	2,166	11%
18 to 64	952	16%	4,397	8%
65 and over	133	6%	769	5%
Families	351	13%	1,446	6%
w/ children under 18	287	19%	992	9%
w/ children under 5	98	29%	164	11%
Families with female householder, no husband Present	227	25%	592	17%
w/ children under 18	206	33%	513	23%
w/ children under 5	82	62%	115	44%

Source: Census 2000

B. Housing Stock Characteristics

1. Housing Type

The housing stock in Grass Valley increased by 20 percent (913 units) between 1990 and 2000, a significant increase for a relatively small community. Between 1990 and 2000, approximately 40 percent of the housing units built in Grass Valley were single-family homes and approximately 40 percent were multi-family residences. Grass Valley had 5,298 housing units in 2000, 2,722 single-family units, 2,073 multi-family units, the remainder consisting of mobile homes and other types of housing. According to the California Department of Finance, between 2000 and 2003, the city's housing stock increased to 5,790 units—approximately 200 additional single-family homes, 200 manufactured homes, and 100 multifamily units.

Multi-family structures, particularly apartment complexes of five or more housing units, represent a high proportion of the city's housing stock. A contributing factor to this high percentage is the number of government subsidized rental housing units in Grass Valley, as documented in analysis of at-risk housing below.

Table II-9 shows changes in housing stock between 1990 and 2000.

Table II-9
Changes in Housing Stock (1990 and 2000)

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Single Family	2,350	54%	2,722	51%
Detached	2,205	50%	2,464	47%
Attached	145	3%	258	5%
Multi Family	1,735	40%	2,073	39%
2-4 Units	594	14%	748	14%
5+ Units	1,141	26%	1,325	25%
Mobile Homes	253	6%	503	9%
Other	47	1%	0	0%
Total Units	4,385	100%	5,298	100%

Source: Census 1990 and 2000

2. Tenure

Grass Valley has the highest percentage of renter households in Nevada County, 57 percent. Countywide, renters comprise 24 percent of households. Statewide, 43 percent of households are renters. The higher proportion of renters in Grass Valley is the result of historic development patterns in the City (over half of Nevada County's rental apartment housing stock is concentrated in Grass Valley) and significantly lower incomes that make home ownership difficult for many in Grass Valley.

Table II-10 shows tenure in Nevada County and its jurisdictions in 2000.

Table II-10
Nevada County Tenure (2000)

Jurisdiction	Owner-Occupied		Renter-Occupied	
	Number	Percent	Number	Percent
Nevada County	27,958	76%	8,936	24%
Grass Valley	2,189	43%	2,881	57%
Nevada City	794	60%	519	40%
Truckee	3,805	74%	1,344	26%

Source: Census 2000

Between 1990 and 2000, homeownership in Grass Valley increased by 481 households (28 percent), increasing the homeownership rate from 41 to 43 percent of all households. Whether this trend continues between 2001 and 2009 will depend on development trends since 2000. Many of the residential projects approved or proposed since 2000 are multi-family apartments or mixed-use projects containing rental apartments, condominiums, and/or town homes. However, since 2000, nearly twice as many single-family homes have been constructed as multifamily homes.

Table II-11 and Table II-12 show changes in tenure by type of housing unit. These tables indicate a trend toward increasing rates of homeownership in Grass Valley, with small changes in tenure by housing unit. For example, the proportion of rented single-family homes declined between 1990 and 2000, although the number increased. The largest numeric gain in housing units between 1990 and 2000 was in owner-occupied single-family homes (an increase of more than 300 units), followed by mobile homes and rental apartments.

Table II-11
Housing Tenure (1990 and 2000)

Tenure of Units	1990		2000	
	Number	Percent	Number	Percent
Owner-Occupied	1,708	41%	2,189	43%
Renter-Occupied	2,440	59%	2,881	57%

Source: Census 1990, 2000

Table II-12
Tenure by Units in Structure (1990 and 2000)

Housing Type	1990		2000	
	Number	Percent	Number	Percent
Owner-Occupied	1,708	41%	2,189	43%
Single Family	1,420	34%	1,727	34%
2-4 Units	41	1%	25	0.5%
5+ Units	13	0.3%	20	0.4%
Mobile Homes	225	5%	417	8%
Other	9	0.2%	0	0%
Renter-Occupied	2,440	59%	2,881	57%
Single Family	782	19%	888	18%
2-4 Units	519	13%	669	13%
5+ Units	1,079	26%	1,252	25%
Mobile Homes	23	0.5%	72	1%
Other	37	0.8%	0	0%
Total Units	4,148	100.00%	5,070	100%

Source: Census 1990 and 2000

As is true in most communities, the rate of homeownership in Grass Valley increases with the age of householder. The highest rate of homeownership is among householders age 65 and older. Only those householders age 45 to 54 experienced a significant change in tenure between 1990 and 2000, however. The rate of homeownership among this group decreased from 51 percent to 43 percent.

Table II-13 compares tenure by the age of the householder in 1990 and 2000 for Grass Valley.

Table II-13
Tenure by Age of Householder (1990 and 2000)

Households	1990		2000	
	Number	%	Number	%
Owner-occupied housing units				
15 to 24 years	12	6%	17	5%
25 to 34 years	107	15%	111	18%
35 to 44 years	220	26%	314	29%
45 to 54 years	206	51%	389	43%
55 to 64 years	300	58%	282	59%
65 years and over	863	64%	1,076	65%
Total:	1,708	41%	2,189	43%
Renter-occupied housing units				
15 to 24 years	324	94%	353	95%
25 to 34 years	591	85%	490	82%
35 to 44 years	628	74%	751	71%
45 to 54 years	195	49%	525	57%
55 to 64 years	214	42%	194	41%
65 years and over	488	36%	568	35%
Total:	2,440	59%	2,881	57%

Source: U.S. Census, 1990 and 2000.

3. Housing Vacancy

During a period when the city's housing stock increased, the effective vacancy rates for housing units available for sale or for rent decreased. The effective vacancy rate indicates the actual percentage of units available for sale or rent at a given time, excluding seasonal housing, second homes, and other unoccupied units that are not on the market for sale or rent. The effective vacancy rate of rental housing in Grass Valley decreased from 3.8 percent in 1990 to 2.5 percent in 2000. The effective vacancy rate of housing for sale decreased from 2.9 percent in 1990 to 1.9 percent in 2000. These effective rates are below the level—typically five percent—considered to be adequate to ensure a balance between supply and demand.

Table II-14 compares vacancy rates of Grass Valley housing units in 1990 and 2000.

Table II-14
Unit Vacancy and Rate (1990 and 2000)

Type of Housing	1990		2000	
	# of Units	% of total	# of Units	% of total
Total units in Grass Valley	4,148	100%	5,070	100%
Vacant units:				
For rent	97	2%	75	1%
For sale only	51	1%	42	0.8%
Rented or sold, not occupied	24	0.6%	41	0.8%
For seasonal, recreational, or occasional use	20	0.5%	27	0.5%
For migrant workers	0	0%	0	0%
Other vacant	45	1%	65	1%
Total vacant units:	237	6%	250	5%
Effective Vacancy Rate		3.57%		2.31%

Source: U.S. Census, 1990 and 2000.

4. Overcrowding

Overcrowding, usually defined as more than one person per room, nearly doubled between 1990 and 2000. Overcrowding typically occurs when households cannot find housing of a suitable size that they can afford.

In 1990, approximately five percent (112) of renters lived in overcrowded conditions. By 2000, the number of renters living in overcrowded conditions more than doubled (232) and the proportion of such renters increased to eight percent. Between 1990 and 2000, the number of homeowners living in overcrowded conditions more than tripled, from 19 to 60, increasing the rate of overcrowding among homeowners from one percent to three percent. Although the percentage of the population living in overcrowded conditions was still relatively low in 2000, the increase in overcrowding is one indicator of the growing gap between local incomes and rising housing costs.

Table II-15 compares overcrowding in 1990 and 2000.

Table II-15
Persons per Room in Occupied Housing Units (1990 and 2000)

Occupant	1990		2000	
	Persons	Percent	Persons	Percent
Owner occupied:				
One or less person/room	1,689	99%	2,129	97%
More than one person/room	19	1%	60	3%
Total:	1,708	100%	2,189	100%
Renter occupied:				
One or less person/room	2,328	95%	2,649	92%
More than one person/room	112	5%	232	8%
Total:	2,440	100%	2,881	100%

Source: Census 1990, 2000

5. Housing Costs

a. Housing Prices

In 1990, the median price for a single-family home in Grass Valley was \$135,000, according to DataQuick. By 2003, the median price of a single-family home in Grass Valley rose to \$235,000, a 74 percent increase in a twelve-year period. Prices for new two- and three-bedroom homes under construction or completed during the first three months of 2003 ranged from \$220,000 (1,100 square feet) to \$400,000 (for 2,500 square feet), according to the National Association of Homebuilders HomeBuilder.com™.

By comparison, the median income among Grass Valley households increased by just 34 percent between 1990 and 2000. If housing prices continue to increase faster than local incomes, an increasing percentage of Grass Valley residents may be forced to pay more than 30 percent of their incomes to purchase homes. (See section B6, Overpayment for Housing.)

Table II-16 shows home prices by number of bedrooms in Grass Valley.

**Table II-16
Home Sales (2002 to 2003)**

Single Family Home	Average Price	Median Price	Units Sold
1 Bedroom	\$158,730	\$134,000	34
2 Bedroom	\$224,125	\$208,000	183
3 Bedroom	\$354,132	\$269,000	325
4 Bedroom	\$514,882	\$370,000	61
5 Bedroom	\$261,857	\$235,000	9
Total	\$261,857	\$235,000	612
Median Reported by C.A.R.		\$275,000	N.A.

Source: Data Quick Home Sales Data, 2003, California Association.

b. Rents

Between 1990 and 2000, the median contract rent increased by 34 percent, from \$427 to \$572, according to the U. S. Census Bureau. Contract rent is the dollar amount a renter pays under a rental or lease agreement, excluding utility costs (unless these costs are included in the rental agreement). The Census reports do not provide an accurate measure of market rents, however, because a large proportion of rental housing units in Grass Valley is either income and rent restricted (government subsidized rental apartments) or because a large number of Grass Valley residents have housing vouchers under the federal Housing Choice Voucher (8) Program and pay only 30 percent of their incomes for rents.

An indication of the difference between contract rents (the amount tenants pay) and market rents is the federal government's estimate of fair market rents for Nevada County. The fair market rent is the dollar amount a property owner is entitled to receive, less utility costs, for a rental unit occupied by a low-income tenant with a federal housing voucher. The federal government pays the difference between the fair market rent and the tenant's payment. The 2003 fair market rents in Nevada County range from \$415 for a studio apartment to \$1,215 for a four-bedroom rental unit, with an average of \$720 (including allowances for utilities).

Information from rental property managers in Grass Valley indicates that the median rent for a market rate apartment unit of any size in Grass Valley is \$766, higher than the federal government's fair market rent.

Table II-17 shows April 2003 rents in Grass Valley provided by rental property managers. Table II-18 compares contract rents in 1990 and 2000 as reported by the Census.

**Table II-17
Apartment Rents (2003)**

Bedrooms	Median Rent	Average Rent
One Bedroom	\$675	\$675
Two Bedrooms	\$798	\$789
Three Bedrooms	\$825	\$805
Total	\$766	\$756

Source: Survey of Rental Property Managers – 4-11-03

**Table II-18
Contract Rents (1990 and 2000)**

Value	1990		2000	
	# of units	% of units	# of units	% of units
Less than \$100	33	1%	64	2%
\$100 to \$149	97	4%	26	1%
\$150 to \$199	122	5%	69	2%
\$200 to \$249	146	6%	95	3%
\$250 to \$299	227	9%	81	3%
\$300 to \$349	212	9%	109	4%
\$350 to \$399	208	9%	154	5%
\$400 to \$449	256	11%	234	8%
\$450 to \$499	270	11%	194	7%
\$500 to \$549	189	8%	217	8%
\$550 to \$599	127	5%	282	10%
\$600 to \$649	190	8%	324	11%
\$650 to \$699	67	3%	311	11%
\$700 to \$749	57	2%	131	5%
\$750 to \$799 (1990 data = \$750 to \$999)	114	5%	90	3%
\$800 to \$899	X	X	88	3%
\$900 to \$999	X	X	77	3%
\$1,000 to \$1,499	48	2%	146	5%
\$1,500 to \$1,999	X	X	29	1%
\$2,000 and up	X	X	16	0.6%
No cash rent	47	2%	123	4%
Median	\$427		\$572	
Total	2,410	100%	2,860	100%

Source: Census 1990, 2000

6. Overpayment for Housing

Between 1990 and 2000, the percentage of households in Grass Valley who overpaid for housing increased significantly, primarily due to rising housing prices. In 2000, the number of homeowners overpaying for housing in Grass Valley had increased by 313 households, representing an increase of over 100 percent from 1990. The standard for overpayment is usually more than 30 percent of a household's gross income devoted to housing expenses.

Overpayment among renters increased slightly, by 65 households, but declined as a percentage of renters, from 55 to 49 percent, largely due to the construction of government-subsidized rental housing between 1990 and 2000 and modest increase in market rent during most of the 1990s. Among renters earning less than \$10,000, overpayment for housing significantly decreased, by 294 households, between 1990 and 2000, largely due to the decline in the number of renter households earning less than \$10,000.

Table II-19 compares the number of renter- and owner-occupied households in Grass Valley in 1990 and 2000.

Table II-19
Households Paying 30% or More for Housing (1990 and 2000)

Income	1990				2000			
	Renters		Owners		Renters		Owners	
	Number	Percent Paying 30%+	Number	Percent Paying 30%+	Number	Percent Paying 30%+	Number	Percent Paying 30%+
Totals	1,338	55%	283	21%	1,403	49%	596	36%
Less Than \$10,000	640	85%	61	35%	346	68%	99	53%
\$10,000 to \$19,999	480	74%	56	21%	615	80%	71	22%
\$20,000 to \$34,999	202	30%	76	21%	400	50%	193	34%
\$35,000 to \$49,999	16	7%	74	29%	42	12%	129	32%
\$50,000 to \$74,999 ¹	0	0%	16	5%	0	0%	104	23%
\$75,000 to \$99,999	X	X	X	X	0	0%	0	0%
\$100,000 to \$149,999	X	X	X	X	0	0%	0	0%
\$150,000 or more	X	X	X	X	X	X	0	0%

Note: ¹(1990= \$50,000 or more)

Source: Census 1990, 2000

7. Age and Condition of Housing

In 2000, approximately 45 percent of the housing stock in Grass Valley was at least 30 years old or older, 31 percent was over 50 years old (Table II-20). Homes that are 30 years old and older are generally at the greatest risk of being substandard and/or subject to deterioration associated with improper maintenance and repair. The highest rehabilitation need usually occurs in communities with a combination of older housing, a high percentage of non-government subsidized rental housing, and a high percentage of low-income households. Each of these factors is characteristics of Grass Valley.

Grass Valley has not conducted a housing condition survey recently and has no baseline data on the number of dwelling units in need of rehabilitation or replacement. However, the presence of factors that suggest a potentially high need for rehabilitation, the City estimates that as much as 30 percent of its housing is need of repair, ranging from deferred maintenance to substantial rehabilitation and that as much as two percent of the housing stock needs replacement.

Table II-20
Age of Housing Structure (2000)

Age of Structure	Number	Percent
< 10 years	728	14%
10 to 20 years	917	17%
20 to 30 years	1,243	23%
30 to 50 years	747	14%
50 + years	1,663	31%
Total	5,298	100%
Median Year Constructed: 1972		

Source: Census 2000

C. Employment Trends

Grass Valley's employment base is largely in retail and service trades. Approximately one half of the jobs available in Grass Valley are associated with retail trades. Approximately 20 percent of jobs available in Grass Valley are in health care and social assistance organizations. Within Nevada County, employment opportunities are mainly concentrated in government, transportation, and retail trade. Approximately 50 percent of the jobs in Nevada County are within these fields, according to the California Economic Development Department (EDD).

Significant differences exist between the types of jobs available in Grass Valley and the occupations of employed Grass Valley residents, because most residents (57 percent) commute to jobs outside Grass Valley. Although most jobs in Grass Valley are in retail and service industries, many Grass Valley residents hold jobs outside the City in manufacturing, education, government, and construction trades.

The difference between jobs in Grass Valley and jobs held by Grass Valley residents creates a kind of "reverse commute." Many low- to moderate-wage workers employed in Grass Valley commute from homes outside the city, while many Grass Valley residents commute from their homes in the City to higher paying jobs outside Grass Valley.

Table II-21 compares employment in Grass Valley and Nevada County and information regarding where Grass Valley residents work. Table II-22 shows the number and percent of Grass Valley residents who work inside and outside the city.

Table II-21
Comparison of Employment
(City of Grass Valley and Nevada County)

Industry	1997 Economic Census (Jobs in the City of Grass Valley)		2002 California EDD Estimate (Jobs in Nevada County)		2000 Census (Jobs Held by Grass Valley Residents)	
	Number	Percent	Number	Percent	Number	Percent
Farming, Natural Resources, Mining	X	X	80	0.3%	108	2%
Construction	X	X	X	X	310	7%
Manufacturing	1,041	8%	1,890	6%	636	13%
Wholesale trade	491	4%	490	2%	63	1%
Retail trade	6,895	51%	4,240	13%	702	15%
Transportation, Warehousing, and Utilities	X	X	5,240	17%	145	3%
Information	X	X	320	1%	164	3%
Financial Activities	X	X	1,730	5%	129	3%
Broadcasting & telecommunications	90	0.7%	X	X	x	X
Real estate & rental & leasing	352	3%	590	2%	85	2%
Professional, scientific, & technical services	747	6%	2,580	8%	236	5%
Administrative & support	769	6%	X	X	212	4%
Educational services	19	0.1%	3,520 (Educational and Health Care and Social Assistance)	11%	268	6%
Health care & social assistance	2,333	17%	See above	see above	563	12%
Arts, entertainment, & recreation	224	2%	1,680	5%	113	2%
Leisure and Hospitality (Including food services)	56	0.4%	2,460	8%	396	8%
Other services	496	4%	1,050	3%	410	9%
Government	X	X	5,630	18%	228	5%
Total	13,513	100%	31,500	100%	4,768	100%

Source: 1997 Census, 2000 Census, EDD March Benchmark

Table II-22
Commuting Workers (2000)

Place of Work	Persons	Percent
Total Workers	4,701	100%
Worked in city of residence	2,001	43%
Worked outside of city of residence	2,700	57%

Source: Census 2000

As discussed above, Grass Valley residents mainly work in retail, manufacturing, health care and social assistance industries. Major employers located in Grass Valley include the Sierra Nevada Memorial Hospital, the Nevada Joint Union High School District, and the Thompson Multimedia Group. Annual wages associated with retail trades are less than the citywide median income, identified as \$28,182 earlier in this report. Jobs in the manufacturing industry are associated with wages slightly higher than the citywide median, at \$30,593. Health care and social assistance jobs also have wages higher than the citywide median, at \$31,876.

Table II-23 shows the mean annual wage by industry for jobs in Nevada County in 2002.

Table II-23
Nevada County Mean Annual Wage by Industry

Industry	Mean Annual Wage
Farming, Fishing, and Forestry Occupations	\$14,612
Construction Occupations	\$34,996
Manufacturing	\$30,593
Wholesale Trade	\$36,140
Retail Trade	\$22,021
Transportation and Warehousing	\$30,602
Information	\$34,528
Financial and Insurance	\$46,436
Real Estate and Rental and Leasing	\$23,192
Professional and Technical Services	\$37,960
Administrative and Support Services	\$24,492
Educational Services	\$24,284
Health Care and Social Assistance	\$31,876
Arts, Entertainment, and Recreation	\$16,328
Leisure and Hospitality	\$11,804
Other Services	\$19,656
Government	\$36,331

Source: EDD 2002 Labor market Information

In 2000, Grass Valley had the highest rate of unemployment of all jurisdictions in Nevada County, including the county itself. Approximately 390 people, or 7 percent of the work force, were unemployed in Grass Valley in 2000.

Table II-24 provides a comparison of Grass Valley with Nevada County, Nevada City, and Truckee.

Table II-24
County and City Unemployment Rates (2000)

Jurisdiction	Labor Force	Employment	Unemployment	
			Number	Rate
Nevada County	49,120	46,710	2,410	4
Grass Valley	5,550	5,160	390	7
Nevada City	2,050	1,950	100	5
Truckee	2,820	2,700	120	4

Source: EDD Labor Force Data for County Sub-Areas, March 2003

D. Special Housing Needs

Certain groups in the City of Grass Valley encounter greater difficulty finding decent, affordable housing due to their special needs and/or circumstances. Special circumstances may be related to one's employment and income, family characteristics, medical condition or disability, and/or household characteristics. A focus of the Housing Element is to ensure that persons from all walks of life have the opportunity to find suitable housing in Grass Valley.

State Housing Element law identifies the following "special needs" groups: senior households, persons with disabilities, single-parent households, large households, farmworkers, and homeless persons and families. This provides a discussion of housing needs for each particular group, and identifies the programs and services available to address their housing and supportive services needs.

1. Seniors

Senior households typically have special housing needs due to three primary concerns: 1) fixed, often low, incomes, 2) high health care costs, and 3) self-care or independent living limitations (such as health-related disabilities). According to the 2000 Census, 1,652 households in Grass Valley were headed by persons age 65 years and older. Over half of these households consisted of persons who lived alone.

A growing trend among retirees, most of whom are 65 years of age or more, is to relocate to Sierra Nevada foothill and mountain communities, either part-time or year round. Many retirees move to small communities in the Sierra region that lack a full complement of health care, transportation, and other services that seniors increasingly need as they age. Commercial and service centers in

the Sierra region, such as Grass Valley, can expect to experience a growing demand for public and private services oriented to seniors throughout the regions they serve.

As seniors in the region become less able to care for themselves and live independently, increasing numbers of senior housing, assisted care, and supportive service providers may choose to locate facilities in Grass Valley. Grass Valley has experienced this trend since the 1980s with a growing number of senior housing and assisting living facilities.

About six percent of individuals 65 years of age or older in Grass Valley had poverty-level incomes in 2000, which is significantly less than the poverty rate for the population as a whole. Nearly 75 percent of households headed by seniors, 1,220 households, had low-incomes (less than 80 percent of median), and 52 percent had very low-incomes (less than 50 percent of median). The percentage of senior-headed households with low- and very-low incomes is significantly higher than the overall population. These figures suggest that seniors may have limited capacity to absorb increases in housing-related expenses.

In 2000, 1,084 elderly households in Grass Valley were homeowners and 568 were renters. Because of physical and/or other limitations, senior homeowners may have difficulty in performing regular home maintenance or repairs. In addition, because many seniors have fixed and/or limited incomes, they may experience difficulty meeting monthly housing costs. Elderly women are especially in need of financial assistance because so many of them live alone and they tend to have lower incomes than seniors as a group. In 2000, 82 percent of senior households living alone were women (821 households).

Various programs can help meet the needs of seniors, including congregate care, supportive services, rental subsidies, shared housing, and housing rehabilitation assistance. For the frail elderly or those with disabilities, housing with features that accommodate disabilities can help ensure continued independent living. Elderly people with mobility/self care limitations also benefit from transportation alternatives. Senior housing with these accommodations can allow more independent living. Transportation assistance is especially important in foothills communities such as Grass Valley because so much of the area is sloped and difficult for pedestrians with mobility limitations to traverse.

The City has adopted an Elder Care Ordinance, which includes provisions for affordable housing units for lower income elderly persons, affordable housing units for elderly persons with income lower than the median for Nevada County, and provisions to enable elderly people access to public transportation.

According to the California Department of Social Services (2003), twelve licensed care facilities, including residential, assisted-living, and independent living for seniors are located in Grass Valley. The twelve facilities have a combined capacity of over 80 beds available to senior residents of Grass Valley. There are also eight subsidized apartment complexes that accept seniors.

2. Persons with Disabilities

Persons with disabilities typically have special housing needs because of their fixed or limited incomes, a lack of accessible and affordable housing that meets their physical and/or

developmental capabilities, and higher health costs associated with their disabilities. A disability is defined broadly by state and federal agencies as a physical, mental, or emotional condition that lasts over a long period of time, makes it difficult to live independently, and affects one or more major life activities. The 2000 Census defines six disabilities: sensory, physical, mental, self-care, "go-outside-home," and employment disability. According to the 2000 Census, 2,298 Grass Valley residents had some type of disability, representing 21 percent of city residents. Of these persons, 904 are age 65 years or older. Many individuals who reported disabilities did not necessarily have conditions requiring special housing features or supportive services to facilitate independent living. However, the large percentage of the population reporting some type of disability during the 2000 Census indicates the potential for such a need.

To meet the unique housing needs of the disabled, the City offers and participates in various programs and allows for a variety of group home alternatives for persons with disabilities who cannot live independently. Through the Nevada County Housing and Community Services Department, disabled households may receive rental assistance to help them afford housing in the community. In addition, the City offers home improvement grants, which can be used to make upgrades/modifications to ensure accessibility. In addition, the city's municipal code requires new residential construction to comply with state building code standards (Title 24 of the California Code of Regulations) for handicapped accessibility. State standards require a minimum percentage of units in new developments to be fully accessible to the physically disabled.

Living arrangements for persons with disabilities depend on the severity of the disability. Many persons live independently with other family members. To maintain independent living, persons with disabilities may need special housing design features, income support, and in-home supportive services for persons with medical conditions.

Severely mentally ill persons are especially in need of assistance. Mentally disabled individuals are those with psychiatric disabilities that impair their ability to function in the community to varying degrees. The National Institute for Mental Health (2001) estimates that 2.5 percent of the adult population (age 18+) suffers from mental illness. If this percentage is applied to Grass Valley, approximately 200 persons may suffer from some form of mental illness.

Many persons with disabilities can live and work independently within a conventional living environment. However, more severely disabled individuals require a group living environment in which partial or constant supervision is provided by trained personnel. The most severely affected individuals may require an institutional environment in which medical attention and therapy are provided within the living environment. According to the California Department of Social Services, Grass Valley is home to three adult day care facilities with a combined capacity to serve 131 clients. (Adult day care facilities are facilities of any capacity that provide programs for frail elderly and developmentally disabled and/or mentally disabled adults in a day care setting.)

3. Farmworkers

Farmworkers are traditionally defined as persons whose primary incomes are earned through permanent or seasonal agricultural labor. Permanent farmworkers work in the fields, processing plants, or support activities on a year-round basis. When workloads increase during harvest periods, the labor force is supplemented by seasonal or migrant labor.

According to the Nevada County Agricultural Commissioner, agricultural products within the county include timber, livestock, nursery and field crops, fruit and vegetable crops, wool, and apiary by-products (such as honey and bees' wax). In 2002, 80 people residing within Nevada County were employed in the farming, natural resources, and mining industries.

The Migrant Health Program of the U.S. Department of Health and Human Services released a study in 2000 estimating the number of migrant and seasonal farmworkers and their non-farmworker household members in California: *Migrant and Seasonal Farmworker Enumeration Profiles Study*. The study was based on secondary source material, including existing database information and interviews with knowledgeable individuals. The study indicates that Nevada County has an estimated 160 farmworkers, including 74 migrant and 86 seasonal farmworkers.

According to the 2000 Census, there were 108 Grass Valley residents (one percent of the city's total population) employed in farming, forestry, and fishing occupations. It is likely that the majority of these residents worked in forestry or fisheries industries rather than agriculture. There are no significant areas of agricultural activity within the City's planning area that would employ farmworkers.

There is a relatively small, active agricultural industry in Nevada County, however, that might employ a small number of Grass Valley residents. The small number of farmworkers that reside in the Grass Valley area are likely to be year-round residents. For this reason, the City believes there is no need for seasonal shelter to house migrant farm labor. The housing needs of any farmworkers that do reside in Grass Valley would be primarily addressed through the provision of permanent affordable housing, rather than migrant farm labor camps. Their housing need would be the same as other lower-income households.

4. Female-Headed, Single-Parent Households

Single-parent households with children often require special consideration and assistance as a result of their greater need for affordable housing, accessible day care, health care, and a variety of other supportive services. Single-parent households often receive unequal treatment in the rental housing market due to their family status. Female-headed single-parent households, in particular, face challenges in finding affordable, sound housing that is accessible to employment and services due to their relatively lower household incomes and childcare needs.

Grass Valley is home to over 800 single-parent households, of which over 75 percent (612) are headed by females. In 2000, 33 percent of the city's female-headed families with children lived in poverty, compared to 19 percent of all families with children. The median income for female-headed households with children was \$20,144, compared to \$41,741 for married-couple families.

Battered women with children comprise a sub-group of female-headed households that are especially in need. In the Grass Valley area, there are a number of social service providers and emergency housing facilities serving women in need, including Battered Woman's Alliance, Domestic Violence and Sexual Assault Coalition, and the Salvation Army.

5. Large Households

Large households are those with five or more members. These households constitute a special needs group because of an often-limited supply of adequately sized, affordable housing units. Because of rising housing costs, families and/or extended families are sometimes forced to live together under one roof. The 2000 Census reported 282 large households in Grass Valley, 62 percent of which were renter households. Large households represent six percent of the city's households.

The housing needs of large households could be met by larger units with more bedrooms. Because larger units typically cost more, lower-income large households may reside in smaller units, likely resulting in overcrowding. To help address overcrowding, Grass Valley and Nevada County are working to develop housing opportunities for larger households to relieve overcrowding and are promoting affordable ownership housing opportunities (such as first-time homebuyer and self-help housing programs) to help renters achieve homeownership.

6. Homeless

Most individuals and families become homeless because they are unable to afford housing in a particular community and/or unable to care for themselves. Beyond the need for housing, homeless individuals are likely to have other needs, such as support services, life skills training, medical care, and education or job skills training. Nationwide, about half of those experiencing homelessness over the course of a year are single adults. Most enter and exit the system fairly quickly. The remainder of the homeless essentially live in the homeless assistance system, or in a combination of shelters, hospitals, the streets, jails, and prisons. There are also single homeless people who are not adults, including runaway and "throwaway" youth (children whose parents will not allow them to live at home or are unable to care for them).

The City of Grass Valley does not have an operating homeless shelter within its boundaries. However, through donations from various private sources, the Emergency Assistance Coalition (EAC) operates a program that includes lodging, food, and gas on an emergency basis. The homeless population in Grass Valley that frequents the EAC program is generally either local or transient single people and/or families. The EAC reports to being contacted by approximately 14 people per week with various housing, food, or other needs. Following attention to the client's immediate needs of food and shelter, the EAC will refer individuals to the Nevada County Human Services Agency in Nevada City. Local offices of the United Way and the Salvation Army operate in Grass Valley and work in conjunction with the Emergency Assistance Coalition.

Although Grass Valley does not have formal overnight shelters, there are several other programs operating in Grass Valley that provide assistance to women who are victims of domestic violence. An example is the Manzanita Family Center, a facility that provides assistance for homeless women with children. Clients of this facility are placed through the Nevada County Human Services Agency and are not necessarily victims of domestic violence.

The Food Bank of Nevada County makes monthly food deliveries to five locations throughout the county, including Penn Valley, North San Juan, Washington, Truckee, and Grass Valley. Clients of the Food Bank program are generally scheduled on a monthly basis, but can receive food donations

in the event of an emergency need as well. The program serves approximately 1,400 clients each month from throughout Nevada County, 33 percent of which are children. The program is funded by the United States Department of Agriculture therefore clients are required to meet the federal poverty standards in order to receive food donations.

No local count of the homeless population has been performed in Grass Valley, in part because homeless individuals avoid being counted and their numbers are often difficult to gauge accurately. According the Nevada County's Human Services Agency, five families requested homeless assistance in Nevada County in the month of January 2003. There is no separate count for Grass Valley. It is likely that the homeless population in Grass Valley is relatively small. In addition, programs that operate locally which are geared to assist the homeless generally refer clients to the county seat, Nevada City, for additional assistance.

Based on contacts with and information provided by, homeless service providers, it does not appear that a year-round homeless shelter is presently needed in Grass Valley. The present network of supportive services, referrals, and other assistance appears to be adequate. As the region continues to experience growth, however, a homeless shelter may be necessary at some future time.

E. Analysis of Assisted Housing Projects At-Risk

Existing rental housing that receives governmental assistance is a significant source of affordable housing that should be preserved, to the extent feasible. The loss of such rental units reduces the availability of housing affordable to very low- and low-income households. Unless housing has reached a substantial level of deterioration, it is far more cost-effective to preserve existing affordable housing than to replace it with newly constructed units. "At-risk" status is determined through identification of funding programs that support the affordable units and the potential likelihood that the funding will be discontinued allowing the units to convert to market rate rents.

All of the assisted units currently in Grass Valley participate in the United States Department of Agriculture (USDA) Rural Housing 515 program, a direct mortgage loan program that can be used for the development of low-income multiple family housing, housing for persons with disabilities and/or seniors. Loans may be up to 50 years, although the typical loan term under this program is 30 to 40 years with a minimum 20 year restricted rent period. After the 20-year period, the property owner may, under limited circumstances, pre-pay the assistance and will no longer be subject to program occupancy and rent restrictions.

Following the completion of the loan period, properties are transferred either by a tax credit, which are made available to limited partnerships, or by theoretically endless subsidy, made available to non-profit organizations or local housing authorities.

Publicly assisted rental housing available in Grass Valley is identified in Table II-25. With the exception of the 80-unit Eastridge Apartments, all assisted units in Grass Valley are funded through the USDA 515 program. The table identifies the date in which the 515 program was entered as well as dates to which the subsidy will be extended. To that end, it has been determined that all affordable units in Grass Valley are considered low risk because of the transfer requirement and incentives offered by USDA.

Loss of Assisted Housing

With the exception of the 80 assisted units that were lost when the Eastridge Apartments opted out of subsidized funding, no other subsidized units are at high risk of converting to market rate rents in Grass Valley over the next ten years. New State laws and regulations include the requirement that properties receiving assistance from this program be transferred to private or government entities that will continue the affordable use. The USDA also offers incentives to continue the use that, if accepted, practically ensure the continued availability of the affordable units in perpetuity.

Table II-25 lists assisted rental housing projects in Grass Valley. Not included in this list are the Glenbrook Apartments on Sutter Street, approved by the City but not yet constructed. Glenbrook Apartments will eventually provide 41 low-income and 11 very low-income housing units.

Table II-25
Inventory of Publicly Assisted Rental Housing

Project Name	Affordable Units ¹	Household Type	Funding Source	Start Date of Funding	At Risk Status
Eastridge Apartments 46 Rockwood Road	80	Family	--	--	Prepaid/Opted Out
Springhill Garden Apartments 244 Dorsey Drive	72	Family	Sec 515	8/17/77	Low Risk Extension 2023
Valley Commons/Valley Commons East Apartments 1444 Segsworth Way	104	Family	Sec 515	12/20/77 8/19/1983	Low Risk Extension 2023 ²
Valley View Apartments 115 E Berryhill Drive	50	Family	Sec 515	1/19/79	Low Risk Extension 2023 ²
Springhill Garden Apartments II 244 Dorsey Drive	49	Family	Sec 515	10/9/1981	Low Risk Extension 2023
Grass Valley Apartments 340 Pleasant Street	42	Family	Sec 515	2/14/1986	Low Risk
Grass Valley Senior Center 321 Dorsey Drive	34	Senior	Sec 515	5/26/1989	Low Risk
Grass Valley Terrace 275 Dorsey Drive	70	Family	Sec 515	7/24/1986	Low Risk
Nevada Meadows Apartments 11825 Old Tunnel Road, #200	34	Family	Sec 515	3/31/1994	Low Risk
Cedar Park Apartments 210 Sutton Street	81	Family	HOME, Tax Credits	2058	Not At Risk
Oakridge Apartments 228 Sutton Way	80	Family	Tax Credits, Housing Set-Aside	2051	Not At Risk
Total	535				

1. The number of housing units in this column is also the total number of units in the complex.

2. Extensions not yet in place. Communications with State Coordinator of USDA program indicate that property owners will continue to provide these affordable units (7/30/03).

Sources: California Housing Partnership Corporation, 2002; U.S. Department of Housing and Urban Development, 2003, USDA Rural Development, City of Grass Valley

F. Opportunities for Energy Conservation

Energy-related housing costs can directly impact the affordability of housing in Northern California. However, state building code standards contain mandatory energy efficiency requirements for new development. In turn, homebuilders must comply with these standards while localities are responsible for enforcing the energy conservation regulations.

The following are among the alternative ways to meet state energy standards.

- The use of passive solar construction techniques that require proper solar orientation, appropriate levels of thermal mass, south facing windows, and moderate insulation levels.
- The use of higher insulation levels in place of thermal mass or energy conserving window orientation.
- The use of active solar water heating in exchange for less insulation and/or energy conserving window treatments.

Other examples of energy saving construction techniques are: 1) locating homes on the northern portion of the sunniest location of building sites; 2) designing structures to admit the maximum amount of sunlight into the building and to reduce exposure to extreme weather conditions; 3) locating indoor areas of maximum usage along the south face of the building and placing corridors, closets, laundry rooms, power core, and garages along the north face; 4) making the main entrance a small enclosed space that creates an air lock between the building and its exterior; and 5) orienting the entrance away from winds or using a windbreak to reduce the wind velocity against the entrance.

Site planning techniques, the use of landscaping, and the layout and configuration of residential buildings can reduce energy consumption through reductions in heating and cooling needs, opportunities to use non-motorized methods of transportation, and reductions in energy inputs to the development of housing.

Pacific Gas & Electric provides a variety of energy conservation services for residents and participates in several other energy assistance programs for lower income households, which help qualified homeowners and renters conserve energy and control electricity costs. These programs include the California Alternate Rates for Energy (CARE) Program and the Relief for Energy Assistance through Community Help (REACH) Program.

The California Alternate Rates for Energy Program (CARE) provides a 15 percent monthly discount on gas and electric rates to income-qualified households, certain non-profits, facilities housing agricultural employees, homeless shelters, hospices and other qualified non-profit group living facilities.

The REACH Program provides one-time energy assistance to customers who have no other way to pay their energy bill. The intent of REACH is to assist low-income customers, particularly the elderly, disabled, sick, working poor, and the unemployed, who experience severe hardships and are unable to pay for their necessary energy needs.

Grass Valley's General Plan contains policies in the Conservation/Open Space Element and the Recreation Element to implement circulation/transportation measures designed to reduce reliance on the automobile and to provide non-motorized linkages between parks and open spaces. By encouraging an emphasis on pedestrian uses in all development within Grass Valley, reduction of the reliance on motorized vehicles will occur, which will also result in reduced energy consumption.

Neither the city's zoning, subdivision, or other codes and ordinances contain implementing regulations to promote or require energy conservation in new development, except for compliance with state energy conservation standards. However, the City's Design Guidelines include provisions that require new developments to incorporate energy conservation measures where possible.

G. Future Housing Needs

According to the Sierra Planning Organization, Grass Valley is responsible for accommodating 1,448 additional housing units between 2001 and 2009, of which 535 units should be affordable to very low- and low-income households, approximately 37 percent of Grass Valley's total share of regional housing needs. The Sierra Planning Organization determines the amount of affordable housing Nevada County will need for the time period and then divides that housing among its participating jurisdictions.

Grass Valley is not responsible for actual construction of these units. However, Grass Valley is responsible for creating a regulatory environment in which these housing units can be built. This includes the creation, adoption, and implementation of general plan policies, zoning code policies, and/or economic incentives to encourage the construction of these kinds of units. Table II-26 shows the number and percentage of housing units identified in the Regional Housing Needs Allocation Plan for Grass Valley for the planning period of 2001 through 2009 by income category.

Table II-26
Regional Housing Needs Allocation

Income Category	RHN Allotment	
	Number of Units	Percent
Very Low	274	19%
Low	261	18%
Moderate	333	23%
Above Moderate	580	40%
Totals	1,448	100%

Source: Sierra Planning Organization

Table II-27 shows the progress the City has made in the last three years to accommodate its regional housing needs allotment.

Table II-27
Progress in Meeting Housing Allocation

Income Level	RHNA Allocation	Units	Remaining Allocation
Units Constructed/Under Construction/Approved January 2000 – January 2003			
Very Low	274	27	241
Low	261	106	145
Moderate	333	0	333
Above Moderate	580	417	163
Total	1,448	550	898

Source: City of Grass Valley

Note: Includes the following projects—Cedar Park Apartments (under construction), 65 low-income units, 16 very low-income units; Glenbrook Apartments, (approved) 41 low-income units, 11 very low-income units. See page IV-8 for further details for a description of these projects.



III. RESOURCES AND CONSTRAINTS

A. Available Land to Accommodate Housing

As a part of the Housing Element update process, City staff inventoried all lands within the City limits suitable for future residential development. State law requires that the community provide an adequate number of sites to allow for and facilitate production of the City's regional share of housing. To determine whether the City has sufficient land to accommodate its share of regional housing needs for all income groups, the City must identify "adequate sites." Under state law (California Government Code section 65583[c][1]), adequate sites are those with appropriate zoning and development standards, with services and facilities, needed to facilitate and encourage the development of a variety of housing for all income levels. The California Department of Housing and Community Development, in its guidelines that interpret state law (Housing Element Questions and Answers, Question #23) states that:

The locality's sites are adequate if the land inventory demonstrates sufficient realistic capacity at appropriate densities and development standards to permit development of a range of housing types and prices to accommodate the community's share of the regional housing need by income level. A two-part analysis is necessary to make this determination:

1. Can the realistic development capacity of suitable land, which is or will be served by facilities and infrastructure, accommodate the locality's total new construction need by income group over the next five years?
2. Are these available sites appropriately zoned (considering local development standards and land costs) for a variety of housing types (single-family, multifamily, mobile homes, etc.) and at appropriate densities to facilitate the development of housing to meet the locality's regional housing need by income level category, including the need for very low- and low-income households?

Residential sites identified in this chapter meet the criteria listed above, and are within the definition of "adequate sites," as provided under State law. The sites identified in Table III-1 have access to public facilities over the next five years.

As Table III-1 indicates, there are more than 124.45 acres of residentially zoned vacant land within the existing city limits, with a maximum potential yield of 1,082 dwelling units, plus another 108.88 acres of commercially zoned land that could accommodate as many as 273 dwelling units in mixed-use projects. Of these properties, nearly 30 acres are zoned R-3 and can realistically accommodate 450 dwelling units. Eight of these R-3 properties are more than one acre in size and can realistically accommodate 416 dwelling units at maximum densities of 12 to 20 dwelling units per acre. These properties have the greatest potential to accommodate housing affordable to very low- or low-

income households, particularly if density bonuses and other incentives are provided by the City. Affordable housing constructed in Grass Valley over the past decade has been in this range.

Of the properties of one acre or more, all are relatively unconstrained by parcel size, configuration, road access, environmental conditions (including the absence of steep slopes), flooding, or utility easements. Each of these properties has access to water, sewer, and other public facilities and services. Water, sewer storage, distribution, and treatment capacity are sufficient to accommodate the City's remaining share of future housing construction needs (see Table 11-27).

Of the properties zone for non-residential use, the City has estimated a realistic development potential based on recent projects constructed, approved, or proposed for mixed-use development on non-residential or non-residential/residential mixed-zoned properties. Examples are:

- A four-acre project containing 46 housing units, a 6,000 square-foot office building, and a 45,000 square-foot medical office building;
- A 1.26-acre project containing 12 dwelling units and a 5,543 square foot commercial building;
- A 0.75-acre project containing nine town homes and 787 square feet of office space; and
- Villages and South Auburn, an 18-acre project containing 57 dwelling units and 16,000 square feet of commercial and office space (see pages III-21 and 22 for more details);
- Sierra Terrace, a 5.5-acre project containing 55 dwelling units and commercial space (see pages III-21 and 22 for more details); and
- Olympia Plaza, a 6.7-acre project with 42 proposed housing units and commercial uses.

Mixed use projects approved by the City include some reduced development standards (setbacks, open space requirements, parking reduction) and are typically under Planned Unit Development (PUD) or Use Permit to allow the developer to design flexibility into a project. The City's approach to encouraging mixed-use developments and permitted flexibility in the application of zoning standards are further described on page III-16 (Special Development Areas) and page III-29 (PUDs).

Many of the mixed-use and infill housing opportunities will occur in the Town Center (TC) Overlay and the Historical District areas of the City. The TC overlay represents a General Plan policy designation and does not have separate zoning standards—the underlying zoning requirements still apply. However, TC policies promote re-use, infill, and mixed-use development and augment the application of underlying zoning standards.

The Historical District zone identified in the City's Zoning Ordinance is similar to the TC overlay in that it does not create separate zoning standards. Rather, this zoning district identifies areas of the City in which a historic preservation review process is applied to development proposals.

See figure III-3 and pages III-16 and III-28 for an explanation of these districts. Table III-1 lists vacant land in zones permitting residential uses.

**Table III-1
Vacant Land Permitting Residential Uses – City Limits¹**

Zone	Acres	Density Range (du/ac)	Unit Potential Max. Density	Unit Potential Likely Density ²	Pot. Affordability (by income level)
RESIDENTIALLY ZONED PROPERTIES					
R-1	55.61	1-4	222	222	Above Moderate
R-1-X	0	1-4	0	0	Above Moderate
R-2	4.41	1-4	17	17	Above Moderate
R-2A PROPERTIES					
0966023	1.79	1-12	21	16	
3536032	1.29	1-12	15	12	
Total, R-2A	3.08	1-12	36	28	
R-2-MH 7200					
3523063	14.08	1-6	84	64	Above Moderate Moderate Low (with density bonus)
3523062	1.51	1-6	9	6	Above Moderate Moderate Low (with density bonus)
3626064	11.10	1-6	66	53	Above Moderate Moderate Low (with density bonus)
TOTAL, R-2-MH (7200)	26.69	1-6	159	123	
R-3 PROPERTIES					
Parcel #					
0954061	1.21	1-20	25	20	Low/Very Low
0827116	0.42	1-20	8	6	Moderate/Low
0923032	0.26	1-20	5	3	Moderate/Low
0834401	0.47	1-20	9	6	Moderate/Low
0838114	0.62	1-20	13	10	Moderate/Low
0926104	0.44	1-20	9	6	Moderate/Low
0842312	0.24	1-20	5	3	Moderate/Low
0926206	1.10	1-20	23	18	Low/Very Low
3541190	4.94	1-20	103	82	Low/Very Low
3541181	9.07	1-20	190	152	Low/Very Low
3541177	3.07	1-20	64	51	Low/Very Low
3541179	1.32	1-20	27	22	Low/Very Low
TOTAL, R-3	23.16	1-20	481	379	
R-3 (3100)	4.66	1-14	65	52	Moderate Low (with density bonus)
R-3 (3200)	0	1-13	0	0	Moderate Low (with density bonus)
R-3 (3500)	2.02	1-12	24	19	Moderate Low/Very low

**Table III-1
Vacant Land Permitting Residential Uses – City Limits¹**

Zone	Acres	Density Range (du/ac)	Unit Potential Max. Density	Unit Potential Likely Density²	Pot. Affordability (by income level)
SPECIAL DEVELOPMENT PLAN AREAS					
SP-1C	8.17	12	98	78	Above Moderate Moderate Low
SP-4B	0	7.5	0	0	Above Moderate Moderate
SP-4D	0	4	0	0	Above Moderate
SP-4E	0	3.5	0	0	Above Moderate
Total (R, SP)	124.45	1-20	1,082	918³	
COMMERCIALLY ZONED PROPERTIES					
C-1, C-2, C-3 ⁴	60.53	1-20	N/A	152	Above Moderate Moderate Low/Very Low
M-1, M-2 ⁴	48.35	1-20	N/A	121	Above Moderate Moderate Low/Very Low
OP ⁴	0	1-20	N/A	---	Above Moderate Moderate Low/Very Low
Total (C, M, OP)	108.88	1-20		273 ³	
Total (all)	233.33	1-20	---	1,191³	

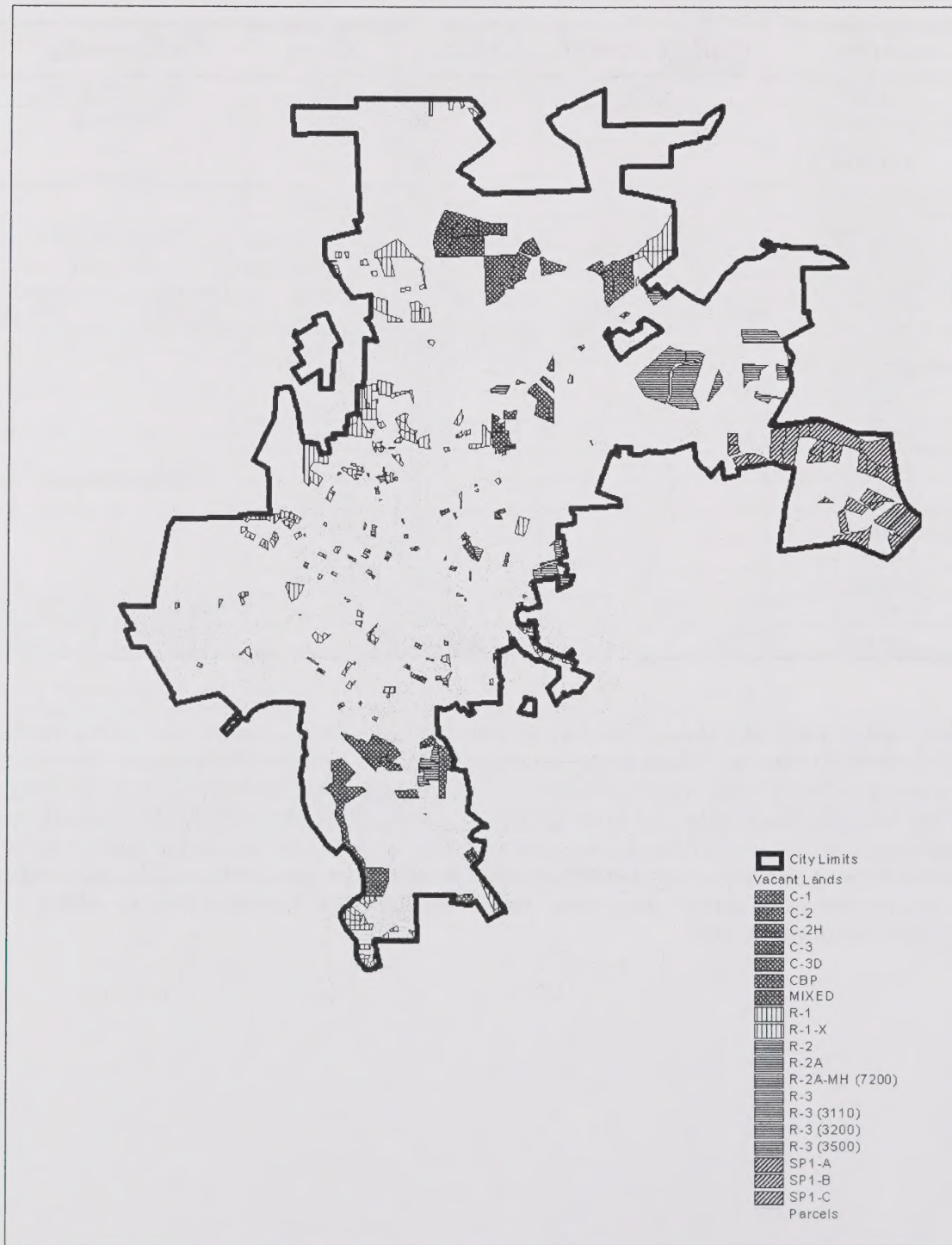
1. Only lots with more than one acre of total land area are included in the vacant land inventory.
2. Potential dwelling units if properties in R-2A, R2-MH, SP, and all R-3 zones develop at 80 percent of maximum allowable density. This has been the average of recent affordable housing developments in Grass Valley.
3. Assumes R-2, R-3, and commercial lands develop at 80 percent of maximum density, R-1 lands develop at maximum density. See note 3 below regarding assumptions on percent of commercial land developed for housing.
4. These commercial zones permit multifamily housing with a use permit. There is no upper limit on residential density, but due to height limit and parking requirements, the City believes that typical densities for housing in this zone will be similar to the R-3 zone. For the purpose of determining realistic development potential, the City has assumed that no more than 15% of lands in these commercial zones will be used for housing.

**Table III-2
Vacant Land Permitting Residential Uses – 5-Year Sphere of Influence**

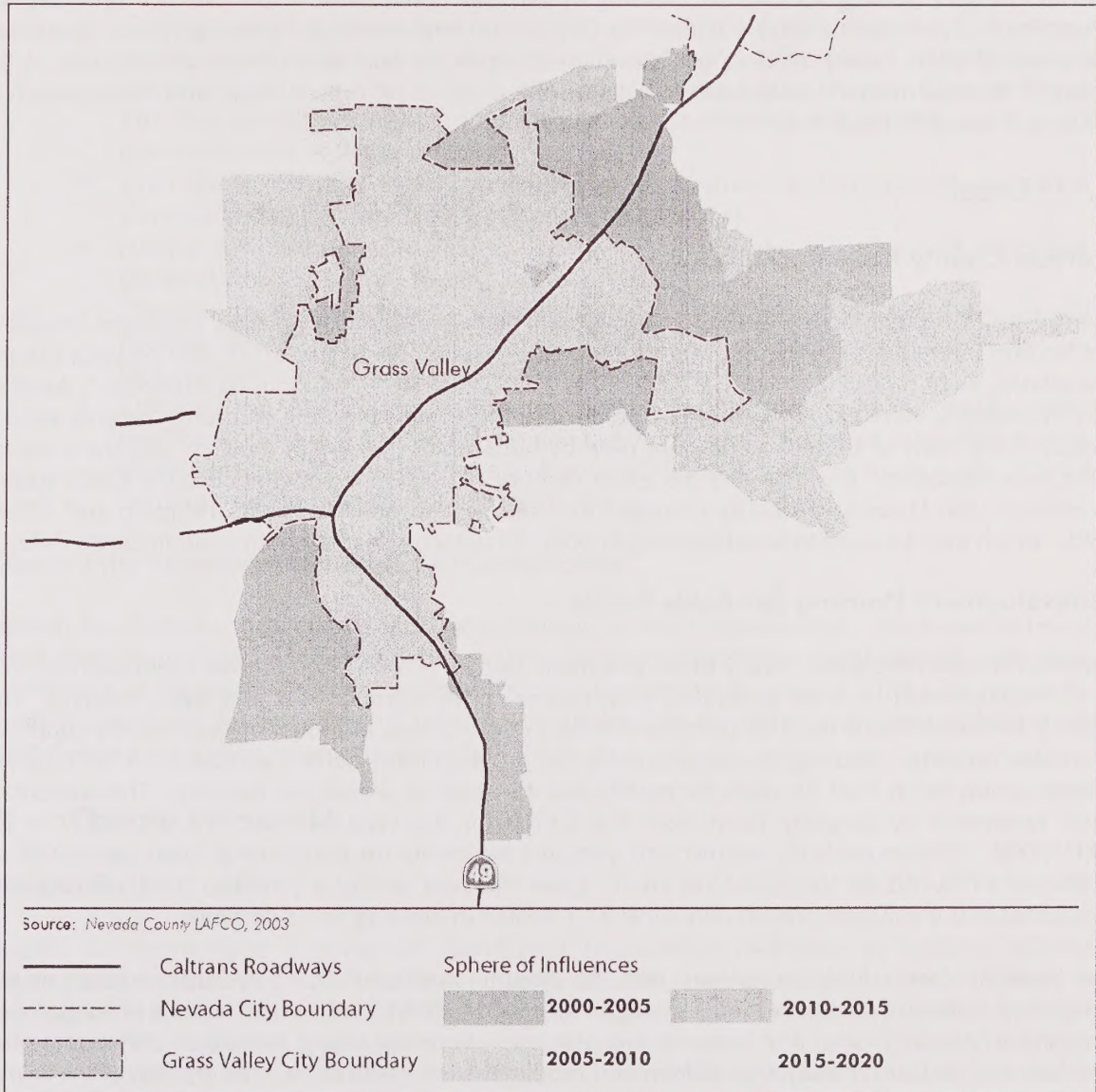
APN	COUNTY ZONING	ACRES	Status	Affordability
0417084	RA-5	6.90	Vacant	Above Moderate
3540078	R3-PD	5.38	Vacant	Moderate
3540086	R3	1.65	Vacant	Low Very Low
3541191	R2-PD-1-D	10.19	Vacant	Above Moderate Moderate Low (with density bonus)
3541129	R2-PD-1-D	10.06	Vacant	
3541158	R2-PD-1-D	5.61	Vacant	
3541159	R2-PD-1-D	10.11	Vacant	
3541157	R2-PD-1-D	11.48	Vacant	
5330001	RA-3	47.00	Vacant	Above Moderate
5308151	RA-3	8.37	Vacant	
5308104	RA-3	2.65	Vacant	
0958146	RA-3	2.94	Vacant	
0958152	RA-3	24.68	Vacant	
5308154	RA-3	22.10	Vacant	
5308155	RA-3	8.80	Vacant	
5309220	RA-3	11.18	Vacant	
5309218	RA-3	2.49	Vacant	
5309219	RA-3	25.07	Vacant	
TOTAL		219.04		

As illustrated in Table III-2 above, there are 219 acres of residentially zoned land within the Grass Valley Sphere of Influence. These lands are another potential location for housing in the City, and their annexation and development may result in additional opportunities for housing production. As there are sufficient lands within the existing City limits to accommodate anticipated housing needs, the development capacity of these lands has not been included in the vacant land analysis. If additional housing demands are generated or other factors create the need for additional residential lands to accommodate growth, then these lands in the Sphere of Influence may be added to the City's inventory of vacant land.

Figure III-1
Vacant Land by Zoning Classification



**Figure III-2
Sphere Of Influence**



B. Funding and Administrative Resources

Grass Valley is a community with a significant amount of residential growth in recent times, with substantial available land for continued growth. A variety of resources are available to landowners and developers seeking to provide housing within the community. This chapter provides the programs and resources available within the City for use with residential developments. Resources are grouped under local providers, private nonprofit agencies, and state or federal programs. A full listing of financial resources available to assist in the production, preservation, and maintenance of housing is found in Table III-3.

1. Local

Nevada County Housing Authority

The Nevada County Housing Authority administers various affordable housing programs, including the Section 8 rental assistance program for the entire County. As of July 2003, 294 Nevada County households were receiving tenant-based Section 8 assistance from the Housing Authority.² Another 255 households were on the waiting list to receive vouchers. Housing Authority records do not indicate how many of these vouchers are used by households residing in the City, and there are no other means available to determine the exact number of Section 8 vouchers used in Grass Valley. In addition, the Housing Authority manages the Mortgage Credit Certificate Program and CDBG funds, which may be used to assist housing in both the unincorporated county and in Grass Valley.

Redevelopment Housing Set-Aside Funds

State law requires the Grass Valley Redevelopment Agency (GVRA) to set aside a minimum of 20% of all tax increment revenue generated from redevelopment projects for affordable housing. The Agency's set-aside funds must be used for activities that increase, improve, or preserve the supply of affordable housing. Housing developed under this program must remain affordable to the targeted income group for at least 55 years for rentals and 45 years for ownership housing. The amount of funds generated by property taxes from the GVRA for the set-aside fund was \$148,917 in FY 2001/2002. Revenues from interest and principal payments on outstanding loans generated an additional \$130,788 for the Low-Mod Fund. Over the next six years (2003 - 2009), the Agency anticipates that it will generate an additional \$1.1 million in housing set-aside funds.

The Implementation Plan recognizes that the housing needs of the City exist outside of the designated redevelopment area and through, Resolution R88-15, allow the use of housing funds throughout the city limits. The focus of the Agency's efforts regarding housing is concentrated in development and/or rehabilitation of low- and moderate-income housing. The Agency plans to use the funds to continue a first time homebuyer's down payment assistance loan program, implementation of a housing rehabilitation program that is supplementary to the City's existing program, and exploration of the possibilities to develop affordable housing within the Downtown District.

² Personal communication with Linda Anderson of Nevada County Housing Authority (07/01/2003)

During the course of the planning period covered by this Housing Element (2004 – 2009), the Redevelopment Agency will use its Housing Set-Aside funds to assist in the provision of low- and moderate-income housing through the following activities (based on the Agency's Housing Implementation Plan):

- Continue to assist low-income households and rental property owners with low-income tenants to rehabilitate their dwelling units and bring substandard housing units into compliance with minimum health and safety standards (see Housing Element Program 18). The removal of lead-based paint and asbestos hazards will also be priorities in the implementation of this program.
- Continue to provide first-time homebuyer down payment and closing cost assistance to low-income families (see Housing Element Program 15).
- Fund a demonstration program to develop design prototypes for housing affordable to the local workforce (see Housing Element Program 12).
- Continue to provide financial assistance for the construction of additional affordable housing (see Housing Element Program 15). Recent examples include the 81-unit Cedar Park Apartments and the 52-unit Glenbrook Apartments.
- Continue the Agency's marketing and outreach programs, including media releases, neighborhood group contacts, flyers and brochures, and tracking of program inquiries.
- Implement the Downtown Strategic Plan, that includes measure to promote affordable housing (see Housing Element Program 3)

Community Reinvestment Act (CRA) Compliance

Federal law requires that lending institutions reinvest in their communities. Such reinvestment is often done in the form of low-income loans for housing construction or rehabilitation, participation in activities of the Redevelopment Agency, or other investment in housing. The City may seek to establish programs for financing of construction or lending for home purchase to help lending institutions to meet their requirements under CRA.

2. Private Nonprofit

Habitat for Humanity

Habitat for Humanity is a non-profit, faith-based organization dedicated to building affordable housing and rehabilitating homes for lower income families. Habitat builds and repairs homes with the help of volunteers and partner families. Habitat homes are sold to partner families at no profit with affordable, no-interest loans. Volunteers, churches, businesses, and other groups provide most of the labor for the homes. Government agencies or individuals typically donate land for new homes. In 2001, Habitat for Humanity constructed six homes in Nevada County.

Mercy Housing California (MHC)

MHC is a non-profit developer that develops affordable housing for families, seniors, formerly homeless persons, individuals with HIV/AIDS and persons with chronic mental illnesses and physical impairments. With the assistance of public and private funding, MHC builds or rehabilitates housing to meet community needs. The types of housing developed include multi-unit rental apartments

and single-family homes, single room occupancy apartments for formerly homeless adults, and handicap-accessible units for individuals with physical impairments. Since merging with the Rural California Housing Corporation (RCHC) in 2000, the activities of this group have expanded to include preservation of at-risk units, coordination of self-help housing development, and redevelopment of substandard housing.

Foundation of Resources for Equality and Employment for Disabled (FREED)

FREED is a non-profit resource agency that provides referrals to the elderly for various housing assistance programs. In addition to referrals, FREED offers loans for small home repairs to disabled homeowners for improvements necessary to increase accessibility or improve functionality, through its Fix-It Program. This agency promotes revisions to construction codes to facilitate accessibility for the disabled, as well as increased knowledge of housing issues for the disabled.

Nevada County Housing Development Corporation

The Nevada County Housing Development Corporation is a non-profit developer of self-help housing, transitional living facilities, and emergency shelters. This group is certified as a Community Housing Development Organization (CHDO) by the State of California, and has been active in production of housing and shelter services in the Grass Valley area. The non-profit facilitated the construction of 30 self-help homes in the City in the 1980s, and operates an emergency shelter within the Sphere of Influence.

3. State/Federal

Community Development Block Grant (CDBG) Funds

The CDBG program provides funds for a range of community development activities. CDBG funds are administered by the State Department of Housing and Community Development (HCD) through a variety of competitive and non-competitive programs. These programs can provide funding for a range of activities. The eligible activities include, but are not limited to acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction of housing, homeownership assistance, and also clearance activities. Funding levels for individual programs can vary by year, and decisions to pursue funding for each program are made by staff based on potential projects and perceived competitive advantages.

HOME Investment Partnership Program Funds (HOME)

Federal HOME funds can be used for activities that promote affordable rental housing and homeownership for lower-income households. HOME funds are administered by HCD, through a variety of competitive and non-competitive programs. Activities eligible to receive HOME funds include building acquisition, new construction, reconstruction, moderate or substantial rehabilitation, first-time homebuyer assistance, and tenant-based assistance. A federal priority for the use of HOME funds is preservation of the at-risk housing stock. As with CDBG funds, funding levels for individual programs can vary by year, and decisions to pursue funding for each program are made by staff based on potential projects and perceived competitive advantages.

**Table III-3
Financial Resources for Housing Activities**

Program Name	Description	Eligible Activities
1. Federal Programs		
Community Development Block Grant (CDBG)	Grants available to the City on a competitive basis for a variety of housing and community development activities. City competes for funds through the State's allocation process.	- Acquisition - Rehabilitation - Home Buyer Assistance - Economic Development - Homeless Assistance - Public Services
HOME	Grant program available to the City on a competitive basis for housing activities. City competes for funds through the State's allocation process.	- Acquisition - Rehabilitation - Home Buyer Assistance - Rental Assistance
Low-income Housing Tax Credits (LIHTC)	Tax credits are available to persons and corporations that invest in low-income rental housing. Proceeds from the sales are typically used to create housing.	- New Construction - Acquisition - Rehabilitation
Mortgage Credit Certificate (MCC) Program	Income tax credits available to first-time homebuyers to buy new or existing single-family housing. County Housing Authority makes certificates available.	- Home Buyer Assistance
Section 8 Rental Assistance Program	Rental assistance payments from County Housing Authority to owners of private market rate units on behalf of very low-income tenants.	- Rental Assistance - Home Buyer Assistance
Section 202	Grants to non-profit developers of supportive housing for the elderly.	- Acquisition - Rehabilitation - New Construction
Section 203(k)	Provides long-term, low interest loans at fixed rate to finance acquisition and rehabilitation of eligible property.	- Land Acquisition - Rehabilitation - Relocation of Unit - Refinance Existing Indebtedness
Section 811	Grants to non-profit developers of supportive housing for persons with disabilities, including group homes, independent living facilities and intermediate care facilities.	- Acquisition - Rehabilitation - New Construction - Rental Assistance
U.S. Department of Agriculture (USDA) Housing Programs (Sections 514/516)	Below market-rate loans and grants for farmworker rental housing.	- New Construction - Rehabilitation
2. State Programs		

**Table III-3
Financial Resources for Housing Activities**

Program Name	Description	Eligible Activities
Affordable Housing Partnership Program (AHPP)	Provides lower interest rate CHFA loans to homebuyers who receive local secondary financing.	- Home Buyer Assistance
CalHOME	Provides grants to local governments and non-profit agencies for local homebuyer assistance and owner-occupied rehabilitation programs and new home development projects. Will finance the acquisition, rehabilitation, and replacement of manufactured homes.	- Home Buyer Assistance - Rehabilitation - New Construction
California Housing Assistance Program	Provides 3% silent second loans in conjunction with 97% CHFA first loans to give eligible buyers 100% financing.	- Home Buyer Assistance
California Housing Finance Agency (CHFA) Rental Housing Programs	Below market rate financing offered to builders and developers of multifamily and elderly rental housing. Tax-exempt bonds provide below-market mortgages.	- New Construction - Rehabilitation - Acquisition
California Housing Finance Agency (CHFA) Home Mortgage Purchase Program	CHFA sells tax-exempt bonds to make below-market loans to first-time buyers. Program operates through participating lenders who originate loans for CHFA.	- Home Buyer Assistance
California Self-Help Housing Program (CSHHP)	Provides grants for the administration of mutual self-help housing projects.	- Home Buyer Assistance - New Construction
Downtown Rebound	Funding to facilitate infill development and conversion of commercial buildings for "live-work" spaces.	- Rehabilitation - Conversion
Emergency Housing and Assistance Program (EHAP)	Provides grants to support emergency housing.	- Shelters & Transitional Housing
Emergency Shelter Program	Grants awarded to non-profit organizations for shelter support services.	- Support Services
Farmworker Housing Assistance Program	Provides State tax credits for farmworker housing projects.	- New Construction - Rehabilitation
Housing Enabled by Local Partnerships (HELP)	Provides 3% interest rate loans, with repayment terms up to 10 years, to local government entities for locally determined affordable housing priorities.	- New Construction - Rehabilitation - Acquisition - Home Buyer Assistance - Site Acquisition - Site Development

**Table III-3
Financial Resources for Housing Activities**

Program Name	Description	Eligible Activities
Joe Serna Jr. Farm-worker Housing Grant Program (FWHG)	Provides recoverable grants for the acquisition, development and financing of ownership and rental housing for farmworkers.	- Home Buyer Assistance - Rehabilitation - New Construction
Multi-Family Housing Program (MHP)	Deferred payment loans for the new construction, rehabilitation and preservation of rental housing.	- New Construction - Rehabilitation - Preservation
Self-help Builder Assistance Program (SHBAP)	Provides lower interest rate CHFA loans to owner-builders who participate in self-help housing projects. Also provides site acquisition, development and construction financing for self-help housing projects.	- Home Buyer Assistance - New Construction - Site Acquisition - Site Development
Supportive Housing/ Minors Leaving Foster Care	Funding for housing and services for mentally ill, disabled and persons needing support services to live independently.	- Supportive Housing - Foster Care
3. Local Programs		
Financial Incentives under the Density Bonus Ordinance	The City's Density Bonus Ordinance offers financial incentives, as required by State law.	- New Construction
Redevelopment Housing Fund	State law requires that 20% of Redevelopment Agency funds be set aside for a wide range of affordable housing activities governed by State law.	- Acquisition - Rehabilitation - New Construction
4. Private Resources/Financing Programs		
California Community Reinvestment Corporation (CCRC)	Non-profit mortgage banking consortium designed to provide long-term debt financing for affordable multifamily rental housing. Non-profit and for profit developers contact member banks.	- New Construction - Rehabilitation - Acquisition
Federal National Mortgage Association (Fannie Mae)	Fixed rate mortgages issued by private mortgage insurers.	- Home Buyer Assistance
	Mortgages that fund the purchase and rehabilitation of a home.	- Home Buyer Assistance - Rehabilitation
	Low Down-Payment Mortgages for Single-Family Homes in underserved low-income and minority cities.	- Home Buyer Assistance
Freddie Mac Home Works	Provides first and second mortgages that include rehabilitation loan. City provides gap financing for rehabilitation component. Households earning up to 80% of the median family income qualify.	- Home Buyer Assistance

Source: Cotton/Bridges/Associates, July 2003.

C. Constraints

1. Governmental Constraints

A. Overview

Local policies and regulations can impact the price and availability of housing and, in particular, the provision of affordable housing. Land use controls, site improvement requirements, fees and exactions, permit processing procedures, and other factors may constrain the maintenance, development, and improvement of housing. This chapter discusses potential governmental constraints as well as policies that encourage housing development in Grass Valley.

State and federal regulations also affect the availability of land for housing and the cost of producing housing. Regulations related to environmental protection, prevailing wages for publicly assisted construction projects, construction defect liability, building codes, and other topics have significant, often adverse impacts on housing cost and availability. Perhaps one of the greatest constraints to the production of housing affordable to lower-income households is the chronic shortage of state and federal financial assistance for such housing.

While Grass Valley recognizes that constraints exist at other levels of government, the City has little or no control over these regulations and no ability to mitigate them directly. This chapter of the Housing Element therefore, focuses only on policies and regulations adopted by the City that can be mitigated by the City.

B. Land Use Policies

The City of Grass Valley has recently completed an update of its General Plan, which contains goals, policies, and programs that will guide development throughout the Grass Valley planning area until the year 2020. The Land Use Element contains the primary policies that guide residential development. These policies are implemented through several types of ordinances, including the Zoning and Subdivision ordinances. Zoning regulations establish the amount and distribution of different land uses within the City, while subdivision regulations establish requirements for the division and improvement of land.

The Land Use Element of the Grass Valley General Plan contains four residential land use categories: urban estate density, urban low density, urban medium density, and urban high density. Each land use designation permits a variety of housing types and densities for residential development. Two additional land use designations provide for development that would include a mixture of residential and commercial land uses of varying densities. These land use designations are the Corporate Business Park (CBP) overlay and the Special Development Area (SDA).

The City has adopted zoning standards for these general plan categories that include five residential zones and two mixed-use zones that allow residences. Table III-4 summarizes the General Plan land use categories and corresponding residential zones.

**Table III-4
Land Use Categories Permitting Residences**

General Plan	Zoning Designation(s)	Density (du/ac)	Minimum Site Area/Unit (sq. ft.)	Maximum Building Coverage	Typical Residential Type(s)
Residential					
Urban Estate Density	Residential Estate (RE)	1 or less/acre	1-3 acres	40%	One single-family detached home per lot
Urban Low Density	Single Family Residential (R-1) Two-Family Residence (R-2)	1.01 to 4/acre	10,000	35%	One single-family detached home per lot; Single-family patio homes; townhouses
Urban Medium Density	Single Family Residential (R-1) Two-Family Residence (R-2) Medium Density Residential (R2A)	4.01 to 8/acre	5,000	40%	Single-family attached and detached; single-family patio homes; duplexes; townhouses
Urban High Density	Multiple Family (R-3)	8.01 to 20.0/acre	5,000	50%	Townhouses or row houses; apartments; condominiums
Mixed Use					
Special Development Area	Interim Development Reserve (IDR) Specific Plan (SP)	No Limit	N/A	Varies with use	Any type proposed within Specific Plan, Master Plan
Business Park (BP)	Corporate Business Park (CBP) Office Professional (OP) Industrial / Services (I/S)	8 to 20	10,000/building	40%	Any type pursuant to acquisition of use permit
Overlay					
Town Center Overlay (TC)	N/A	N/A	N/A	N/A	Upper level residential in Downtown area
Open Space Opportunity Overlay (OSO)	N/A	Underlying GP designation	N/A	N/A	Residential uses corresponding to underlying GP designation

Source: Grass Valley General Plan

i. Special Development Areas

The City of Grass Valley has identified four areas that are designated Special Development areas, as seen in Figure III-3. Three of the SDAs have been subjects of annexation agreements with the City. Annexation agreements have resulted in the allocation of acreage to various land uses, and a fixed number of housing units to be allowed. The SDAs are:

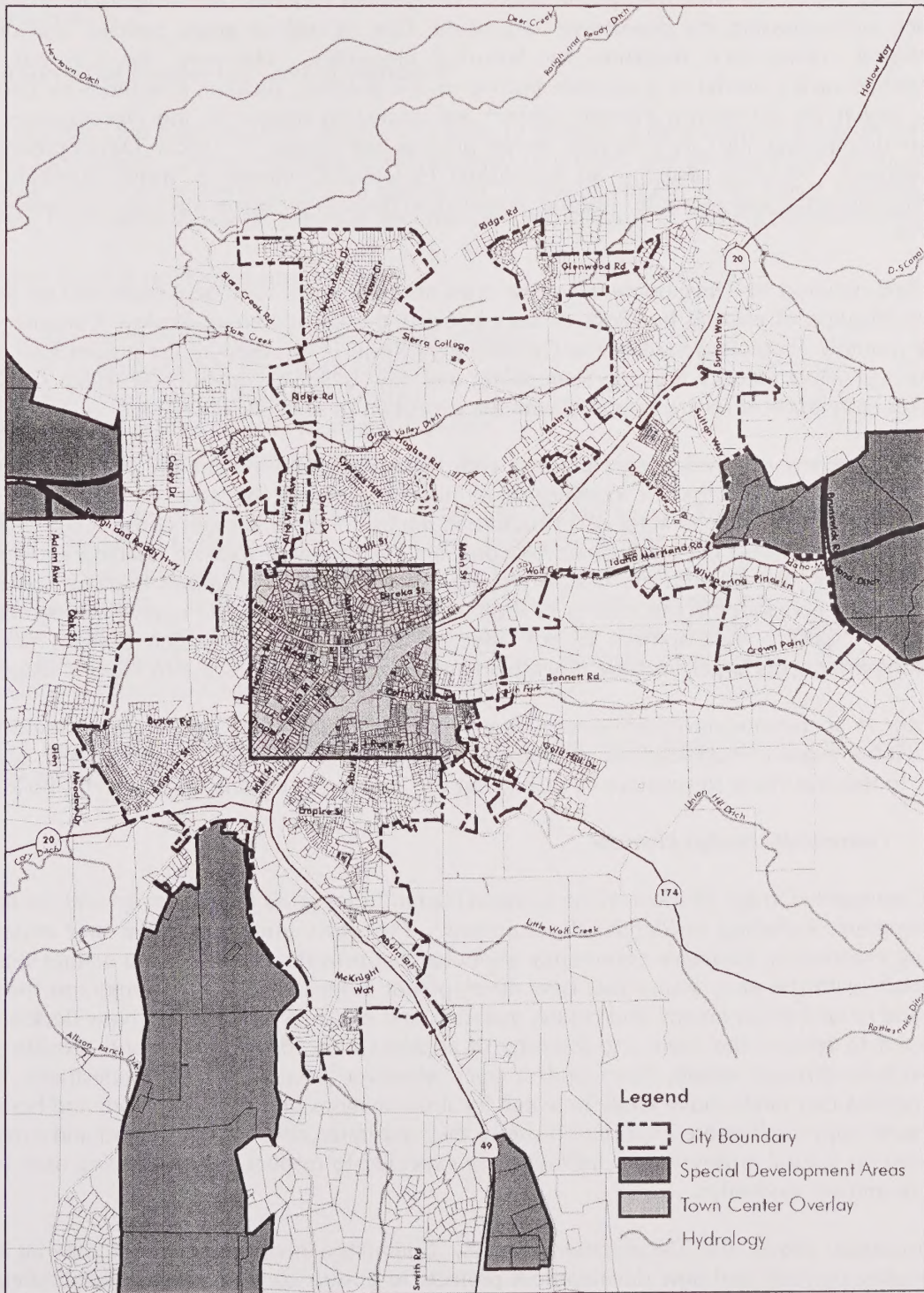
- Loma Rica Ranch (180 housing units, 121 acres)
- North Star (363 housing units)
- Kenny Ranch (100 housing units)
- Bear River Mill Site (approx. 310 housing units plus approx. 24,000 square feet above ground level residential space, annexation agreement not yet in place)

Development within the Special Development Areas (SDA) is encouraged to be clustered or grouped to assist in the reduction of infrastructure development costs, which is further addressed by several policies in the City's 1999 General Plan. Buildings should also be designed to encourage pedestrian use and other alternative modes of transportation. Although the development proposals for the SDA areas are preliminary, it is anticipated that they will include elements of workforce housing and mixed-use developments to accommodate sufficient residential development.

ii. Town Center Overlay

The Town Center (TC) Overlay only applies to a designated area within the City, comprising the downtown and the surrounding areas. The TC overlay district encourages the development of mixed land uses. The Town Center overlay is not a zoning district with separate development standards. Various land uses may be accommodated in the TC district. Street-level commercial, specialty shops, restaurants, upper level residential, and offices are encouraged in the Town Center area. The City is implementing the General Policies of the Town Center through the Downtown Strategic Plan and incentives for mixed-use (see Chapter IV, Goal A, Program 2).

Figure III-3
Special Development Areas and Town Center Overlay



iii. Historic Preservation

The City has included a Historic Element in the current General Plan to ensure preservation of historically significant structures in the area. This Element includes the designation of a historical district, encompassing the downtown area of the City, as well as goals, policies, and objectives addressing conservation measures for historical properties. However, the City has not yet established such a district or a separate historic review process. Building alterations for commercial areas within the downtown Historic District are subject to review by the Development Review Committee through the City's site plan review process (see section "F" below, Development Review Procedures). The City also has an established Historical Commission, which maintains historic building inventory and promotes historic preservation through programs such as the Heritage Home awards.

The time required for Development Review does not impose an additional constraint on the re-use or modification of existing buildings or sites because the Development Review Committee meets twice monthly. Projects are subject to Development Review regardless of the presence of historical resources. Most exterior building remodeling and new building construction within Grass Valley requires development review approval with the exception of single-family homes.

The City's review of development projects with historic significance has the potential to increase costs for the rehabilitation or conversion of historic buildings because of the added cost of maintaining the historic character of a structure in the use of materials and construction techniques. The City has mitigated the cost impact by confining the review process to building exteriors. This leaves property owners with the flexibility to make necessary modifications and use cost-effective construction techniques in the interior of the buildings. Additionally, the overwhelming majority of the City's housing development is not affected by historic preservation policies since such development occurs largely outside downtown and adjacent areas affected by historic issues.

In order to accommodate improvements required for accessibility by persons with disabilities, the City allows exterior modifications of non-historic structures. Exterior improvements have been made to the Bret Harte Retirement Inn, Chamber of Commerce building, and City Hall building.

iv. Community Design Element

The Community Design Element of the General Plan includes goals for the design and configuration development, including residential development. The goals are to preserve and enhance the existing community, conserve community attributes that provide a sense of the natural setting and continuity with the past, assure that new development is sensitive to and strengthens the existing built and natural environment, and create, maintain, and enhance civic places. New development is expected to respect the scale and intensity of adjacent older development and provide physical connections through streets, lanes and/or trails wherever possible so that pedestrians, bicycles, automobiles can safely move easily between local destinations and between work and home. Infill and reuse opportunities are important because they maximize efficient use of land and avoid urban intrusion on natural environment. Infill uses are expected to respect the pre-existing uses, patterns, and community aesthetics.

As discussed above, the Development Review Committee reviews nearly all exterior building remodeling projects and new development projects to ensure consistency with established design

standards. The Committee meets twice monthly and does not cause a significant constraint to development within the City. Specific details regarding design review and how the City mitigates the potential impact on affordable housing are discussed further in sub-section F, Development Permit Procedures.

C. Analysis of Residential Zoning Standards

The City regulates the type, location, density, and scale of residential development primarily through its Zoning Ordinance. Zoning regulations are designed to protect and promote the health, safety, and general welfare of residents as well as implement the policies of the Grass Valley General Plan. The Zoning Ordinance also helps preserve the character and integrity of existing neighborhoods.

Grass Valley has five residential zones:

- RE - Residential Estate (single-family structures)
- R-1 - Single-Family Residence District
- R-2 - Two Family Residence District
- R2A - Medium Density Residential District
- R-3 - Multiple Family District

Minimum lot sizes for the City's residential zones are 10,000 square feet for both interior and corner lots. Permitted building heights are 35 feet in all zones. The City also permits residential uses, subject to acquisition of a use permit and the City's residential design standards, in several other zoning districts. Under these conditions, residential uses are allowed in the Office and Professional District, Community Business District, Central Business District, Downtown Central Business District, Heavy Commercial District, Corporate Business Park District, Light Industrial District, General Industrial District, and the Specific Plan District.

Table III-5 summarizes the relevant residential standards for both single-family and multi-family residential development.

**Table III-5
Residential Development Standards**

Zoning Standards	Zoning Districts													
	RE	R-1	R-2	R2A	R-3	OP	C-1	C-2	C-2-A	C-3	CBP	M-1	M-2	SP
Max. Density (du/ac) Per GP	1	4	8	8	20	20	20	20	20	20	8	20	20	²
Min. Interior Lot Size (sq. ft.)	43,560	10,000	10,000	10,000/building	10,000	10,000	3,500	2,000	2,000	2,000	10,000/building	2,000	2,000	²
Min. Corner Lot Size (sq. ft.)	43,560	10,000	10,000	10,000/building	10,000	10,000	3,500	2,000	2,000	2,000	10,000/building	2,000	2,000	²
Min. Lot Width (ft.)	120	70	70	70	70	70	None	None	None	None	70	None	None	²
Front Yard (ft.)	50	20	20	20	20	20	15	None	None	None	20	None	None	²
Side Yard (ft.)	5	5	5	5	5, 20%, <15 street side, corner lot	5, 20%, <15 street side, corner lot	None	None	None	None	5	None	None	²
Rear Yard (ft.)	20	20	20	5	20%, 10-20 feet	20%, 10-20 feet	15	12	12	12	5	12	12	²
Building Coverage (%)	40%	35%	40%	40%	50%	50%	None	None	None	None	40%	None	None	²
Max. Bldg. Height (ft.)	35	35	35	35	35	35	35	50	65	65	35	50	50	²
Parking (spaces/unit)	2/unit	2/unit	2/unit	1.5/one bdrm., 2/ two bdrm.	1.5/one bdrm., 2/ two bdrm.	1.5/one bdrm., 2/ two bdrm.	¹	¹	¹	¹	1.5/one bed, 2 /two bed	¹	¹	²
Housing Types Permitted														
Single-Family	P	P	P	P	P	U	U	U	U	U	U	U	U	P
Two-Family	X	X	P	P	P	U	U	U	U	U	U	U	U	P
Multiple Family/Apt.	X	X	X	P	P	U	U	U	U	U	U	U	U	P
Townhouse	X	X	X	P	P	U	U	U	U	U	U	U	U	P
Condominiums	X	X	X	P	P	U	U	U	U	U	U	U	U	P
Second Units	X	U	U	U	U	U	U	U	U	U	U	U	U	U
Boarding House	X	X	X	X	P	U	U	U	U	U	X	U	U	P
Day Care Center (6 or fewer children)	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Elder Care (7 or more persons)	U	U	U	U	U	U	U	U	U	U	U	U	U	P
Transitional Shelter	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Emergency Shelter	*	*	*	*	*	*	*	*	*	*	*	*	*	*
Lodging House	U	U	U	U	P	U	U	U	U	U	U	U	U	P

Source: Grass Valley Zoning Ordinance

- Notes:
- P = Permitted
 - U = Permitted with a use permit
 - X = Not permitted
 - * = Not defined in Zoning Ordinance
 - 1 = As defined in Article 14 of the Zoning Ordinance for specific residential uses.
 - 2 = The Specific Plan Zoning District allows any residential land use if shown on the Specific Plan Development Map.

i. Standards Affecting Residential Density

The City of Grass Valley has extensive history related to the California gold rush in 1849, which means that a large percentage of the City was planned and/or developed prior to the advent of regulatory standards and procedures that city residents now take for granted. There are several residential neighborhoods that contain small miner's cottages, Victorian homes, Tudor and craftsman style bungalows, and small Victorian cottages.

Residential Density

Permitted residential densities range from one dwelling unit per acre up to 20 dwelling units per acre as shown in Table III-5. Zoning includes Residential Estate designations in order to facilitate the annexation of urban areas that may not be supported by municipal utilities. The higher density residential zoning designations are not specifically for multi-family uses but can include single-family dwelling units as well. The City encourages multi-family developments to be scattered throughout the community, with decreasing intensity as distance from commercial core increases. All new development within city boundaries is expected to respect the existing design and pattern of development.

Historically, the City has accommodated the development of affordable housing within the R-3 residential zoning district, which allows for the development of the maximum 20 units per acre. With density bonuses, R-2A and R-3 densities are adequate to facilitate the production of affordable housing. In cases where project density may be constrained by environmental or other factors, the City has allowed developers to cluster dwelling units on the unconstrained portion of a site and/or exceed the height limit to achieve a feasible project density. An example of the City's flexibility in implementing zoning standards is the Glenbrook Apartments, in which the City permitted three-story buildings to achieve a project feasible density as a portion of the site was constrained by slope, power lines, and other factors.

The following are examples of affordable and market-rate multi-family and mixed-use housing developments that have been constructed, approved, or are under consideration by the City as of July 2003:

- **Oak Ridge Apartments (built)** - A 96-unit development on 4.8 acres. Project was zoned R-3 and developed with 20 units per acre. The complex includes 80 affordable units.
- **Cedar Park (under construction)** - A 174-unit development on 8.72 acres. Project was zoned R-3 and developed with 20 units per acre. The complex includes 81 affordable units.
- **Glenbrook Apartments (approved)** - A 63-unit development on 4.71 acres. Project was zoned R-2A, allowing eight units per acre and R-3, allowing 20. The complex includes 52 affordable units.
- **Village at South Auburn, Mixed-Use Project, R-2A and M-1 Zones (approved)** - This project includes 34 duplex units, 23 apartments, and over 16,000 square feet of commercial and office space on 10.83 acres. The property was rezoned from R-2 and M-1 to R-2, C-2, and OS (Open Space) to accommodate the project. Nearly three acres

of the project site were designated OS (Open Space) due to presence of wetlands and other biological resources. The duplex portion of the project will be located on 4.10 acres, with a net density of 8.3 dwelling units per acre. The 23 apartments will be located on 3.87 acres, with the commercial portion of the project, for a net density of approximately 12 units per acre for the residential portion of the mixed-use portion of the project. The City permitted to developer to achieve a higher net density than otherwise permitted in the R-2 zone to compensate for the loss of land designated OS.

- Sierra Terrace, Proposed Mixed-Use Project, R-1 and C-2 Central Business District Commercial (proposed) – This pending project proposes a combination of single-family, multifamily, and commercial land uses. The applicant used the Conceptual Review process to ensure general compliance with general plan, zoning, and community design requirements prior to moving forward with a formal permit application. The multifamily portion of the project proposes 20 condominium units, 16 townhomes, and 10 duplexes on 3.39 acres for an average net residential density of approximately 14 dwelling units per acre. The R-1 portion of the proposed project contains 2.15 acres and could accommodate nine dwelling units.
- Olympia Plaza, Mixed-Use Project (proposed) – Annexed to the City in 2002, this property contains 2.1 acres zoned R-3, seven acres zoned C-2 (Central Business District Commercial), and 4.6 acres designated OS (due to environmental constraints and the presence of biological resources). The project, as proposed, contains 42 market rate residential units on both the R-3 and C-2 zoned portions of the property.
- Wales Garden, Mixed-Use Project (approved) – This project consists of eight multi-family residential units and 787 square feet of office space on a 0.75-acre infill lot. The project site is zoned Community Business District (C-1) indicating that residential uses are subject to the provisions of a use permit. The project will include the construction of four separate buildings. One building will consist of mixed-use office with residential units upstairs. Three single story buildings will be constructed to house the remaining dwelling units and garages. The housing units are considered condominiums and will be available for individual property ownership.

Density Bonus Program

A density bonus program is also available to developers who wish to provide affordable housing to the City's residents. Section 15-14 of Article 15 of the Zoning Ordinance establishes the basic provisions of the density bonus program by requiring an agreement between the developer and the City pursuant to Government Code Section 65915. Initially, the developer submits a full description of the proposed development, an identification of why the project qualifies for a density bonus, and the justification of why it should receive bonus incentives. The City's Planning Commission is responsible for making a recommendation to the City Council regarding the proposal and type of bonus incentive should be allowed. In turn, the City Council approves, approves with modifications, or denies the proposal. In the event the proposal is approved, an agreement is executed between the developer and the City Council. The project is then returned to the Planning Commission for project approval.

Although the density bonus program is in compliance with current State laws, the Zoning Ordinance should be amended to more accurately characterize that as a program required to be offered by the City, any development is eligible to receive incentives and/or bonuses as long as certain concessions for affordable housing units are made. The City may consider establishing a separate article of the Zoning Ordinance for the density bonus program that includes identification of the particular requirements a project must comply with to receive bonuses and/or incentives.

Yards and Setbacks

As seen in Table III-5, yard and setback requirements established in Grass Valley's zoning code vary by zoning district and density of residential development. Front yard setbacks in residential zoning districts are required to be 20 feet with the exception of the RE zone, which requires a larger 50-foot setback. The Zoning Code does not regulate front yard setbacks in commercial zones, except in the C-1 zoning district, which has a 15-foot front yard setback requirement. Side yard setbacks are five feet within residential zones. There are no standards for side yard setbacks in commercial zoning districts that allow residential uses except the CBP zone, which requires a five-foot side yard setback. Rear yard setbacks range from five feet in the R-2 and one commercial zone to 20 feet in other residential zones.

When considered in combination with the parking requirements for residential land uses, the required front yard setback may present a constraint to housing development on sites with odd configurations, such as a shallow, but wide property. Grass Valley's Zoning Ordinance expressly prohibits garages and or parking spaces within front yard setback areas. The Code allows the extension of structures such as eaves, cornices, fireplaces, uncovered porches, and stairways into the required yard area but only between two to six feet from the main building. This potential constraint could be mitigated by allowing parking areas in the required front yard setback in the R-2A and R-3 zones without allowing parking structures.

Lot Size

The minimum lot size for all residential zones is 10,000 square feet. The minimum lot size has been established because most undeveloped areas of Grass Valley have topography and other conditions that present potential constraints to development on smaller lots. Smaller lots of record that do not meet minimum lot area or width requirements may be developed if created before the present zoning standards for lot size were adopted by the City. The City has established a Planned Unit Development (PUD) zone (see section v below) that applies to areas in which smaller lots and other alternative lot configurations are appropriate to mitigate the potential cost constraint posed by the City's minimum 10,000 foot lot requirement. The PUD overlay allows smaller minimum lot sizes.

Building Coverage

The City imposes reasonable limits on building coverage. In the R-2 and R-3 zones, 40 to 50 percent of the lot may be occupied by buildings. The building coverage limit does not include enclosed parking or other accessory structures, unless they are part of the main building. Therefore, building coverage requirements do not impose a constraint on residential development. It is unlikely that additional building coverage would be necessary to achieve a density of eight to 20 dwelling units per acre, plus a 25 percent density bonus for affordable housing, in the R-2 and R-3 zones.

Building Height

The City's height limits do not constrain a property owner's ability to achieve maximum densities allowed under the City's General Plan because the zoning standards allow up to 35 feet, or two stories, in building height. Two stories of building height are sufficient, in combination with the maximum permitted building coverage, to achieve between 8 and 20 dwelling units per acre, plus density bonuses for affordable housing.

When site conditions constrain development on a portion of a lot, the City may provide an exception to the height limit to allow for three-story development, as was the case with the Glenbrook Apartment project.

Group Care Homes

Grass Valley permits community care facilities such as convalescent homes, day care centers, and rest homes within all of its residential zoning districts pending the issuance of a use permit. These facilities are also allowable uses, subject to use permit requirements, within commercial zones, industrial zones, the office and professional district, and within specific plans. State law requires that community care facilities for six or fewer persons be treated as permitted single-family uses in all residential zones. To ensure that the City complies with state law regarding community care facilities in residential zones, the Zoning Ordinance should be amended to define community care facilities of six or fewer persons, regardless of type, as permitted uses in residential zones and larger facilities as conditionally permitted uses with a use permit. Community care facilities for seven or more persons are generally allowed within all residential zoning districts, subject to compliance with a use permit.

Accessory uses such as wheelchair ramps are permitted within all residential zones as incidental structures related to the residence. Building procedures within the City are also required to conform to the Uniform Building Code, as adopted with revisions by the California Building Standards Commission (Title 24 of the California Code of Regulations), as adopted by Title 15 of the City's municipal code. Standards within the Code include provisions to ensure accessibility for persons with disabilities.

Occupancy Standards

Grass Valley does not regulate occupancy of residential units or distinguish between related and unrelated individuals as a permitted residential use. Section 4-21 of Article 4 of the Zoning Ordinance, Definitions, defines "family" as "an individual or two or more persons occupying a structure and living as a single housekeeping unit." Permitted uses in residential zones include single-family, two-family, and multiple families. The City's definition of family does not explicitly limit the amount of persons that can live within a given dwelling unit. Occupancy standards do not constrain the development of housing in Grass Valley.

Siting of Elder Care Facilities, Group Homes, and Other Group Care Housing

Grass Valley permits elder care facilities in all but three of its zoning districts, with the granting by the City of a use permit. Zoning districts in which elder care facilities are not allowed include the Limited Manufacturing District, the Public District, and the Open Space District. The City's Elder

Care Ordinance identifies an elder care facility as providing care for seven or more persons. Examples of elder care housing include convalescent homes, day care centers, and rest homes.

Cumulative Zoning

Lower density residential developments are allowed in all residential districts, which means that property owners within R-2, R2A, and R-3 zones are not required to develop multi-family housing. While the allowance of single-family residential units on smaller, infill parcels is ideal, it presents a potentially cumulative constraint upon high-density housing development. This constraint could be alleviated if single-family residential development in the R-2, R2A, and R-3 zones were subject to acquire a use permit, issued only under the condition that the development of multiple family dwellings is not feasible due to physical or other conditions of the subject property.

ii. *Parking Standards*

Parking Ratios

Off-street parking requirements vary by housing type. Two spaces per dwelling unit are required within the RE, R-1, and R-2 zones. Multi-family housing, generally found in zones R-2-A and R-3 are required to provide 1.5 off-street parking spaces for a single bedroom apartment and 2 spaces for each 2 bedroom or larger. Lodging and rooming houses are required to provide one parking space per sleeping room or one for every two beds, whichever is larger.

Institutional uses such as nursing homes and rest homes are subject to different parking requirements than residential uses. These facilities are required to provide one off-street parking space for every five beds, plus one space for each employee and employer.

The City's parking ratios are reasonable in relation to the likely demand resulting from different residential uses. For most types of housing, these ratios do not act as a constraint to achieving residential densities otherwise permitted by the City's zoning standards, except, potentially on some small, infill lots.

However, the City's parking requirements may impose a cost constraint for special needs housing types (such as senior housing, single-adult workforce housing, or housing for persons with disabilities). City parking requirements could also present a challenge for small, infill lots. This potential constraint could be mitigated by allowing for less parking if the applicant can show that residents will have a lower rate of automobile ownership due to their incomes, lifestyle characteristics, project location, or other relevant factors.

Location of Parking

Parking must be provided within the same lot as the main building or structure. A use permit may be obtained for off-street parking on a separate lot as long as the lot is within 300 feet of the main building or structure. In addition to the above requirements, the Zoning Ordinance allows adjacent landowners to enter into a reciprocal parking easement, which provides for all of the required off-street parking to be located on one or the other lot, pending City Council approval. The available variations of meeting off-street parking requirements serve to reduce a constraint related to parking in housing development.

Parking Improvement Standards

Parking may be uncovered or covered. The carport or garage associated with covered parking is required to compliment the main structure and conform to all applicable building codes. The City's improvement standards do not add significant cost to the development of housing because parking is not required to be covered. The allowance for uncovered parking also provides greater flexibility for the location of parking, further reducing potential constraints and cost.

Parking Reductions

Opportunities for parking reductions include developments that provide for motorcycle and bicycle parking. Developments that are required to provide ten automobile parking spaces are also required to provide one bicycle space and one motorcycle space. Projects that provide more bicycle and motorcycle parking than required are allowed to reduce the number of automobile spaces by one space for every eight bicycle spaces or four motorcycle spaces, up to a ten percent reduction.

iii. Allowance for Housing and Shelter Alternatives

Housing Element law specifies that jurisdictions must identify adequate sites through appropriate zoning and development standards to encourage the development of various types of housing for all economic segments of the population. This includes single-family housing, multiple family housing, manufactured housing, mobile homes, emergency shelters, and transitional housing, among others.

Secondary Living Units

A secondary living unit (or second unit) is a separate dwelling unit that provides complete, independent living facilities for one or more persons. Grass Valley permits both attached and/or detached secondary living units in the R-1 zone, which are subject to compliance with zoning and parking standards. Detached units must be separated from the main residence by at least ten feet. Secondary units are subject to the City's use permit process in zoning districts other than the R-1 districts.

Detached secondary units are only allowed on lots of 10,000 square feet or more. The floor space of a secondary unit must be between 275 square feet and 640 square feet. Separate kitchen and restroom facilities must be located within the unit. One off-street parking space is required per unit. However, if the secondary unit contains more than one bedroom, two parking spaces are required per second unit. The parking requirement for secondary units with two bedrooms could pose a constraint to the development of secondary units with two bedrooms on small lots. In general, the City's parking requirement for a two-bedroom unit does not pose a significant constraint to the development of second units because secondary units are not intended to be a source of family housing. The City does not anticipate that many property owners would propose to construct two-bedroom second units.

New state law, effective July 1, 2003, requires that secondary units be approved through an administrative, or staff level, permit process. The City will need to revise its permit process for

second units to eliminate the use permit requirement and public hearing before the Planning Commission.

Mobile Homes and Mobile Home Parks

Grass Valley's Zoning Ordinance includes a Mobile Home and Mobile Home Park Combining District (MH). Combining zones are used in conjunction with basic zones, and are used to address special concerns and afford special protections not otherwise applicable to the base district. The MH district allows for the development of mobile home parks, mobile home subdivisions, and individual mobile home lots within the underlying zoning district, pursuant to meeting the design requirements such as yard setbacks and building coverage established by the underlying district.

Mobile home parks are also required to provide an all-weather walkway to each lot and comply with different parking standards than site built housing. Each mobile home lot must have two 10 feet by 20 feet off-street parking spaces, one 10' by 20' off-street parking space for every three mobile home lots for visitors, and one 10' by 20' off-street parking space for every five mobile lots for storage. Landscaping must also be provided to screen the development from adjacent properties. Mobile home development is required to obtain approval from the Planning Commission prior to issuance of a building permit. The Zoning Ordinance expressly prohibits occupation and use of mobile homes, recreational trailers, temporary trailers, or travel trailers outside of the designated mobile home park without issuance of a use permit.

Density and setbacks of mobile home parks are determined by the base-zoning district. For example, mobile home development in an R-1 zone would allow for four mobile home spaces per acre. The City requires a minimum lot size of 3,500 square feet. The lots are required to be 35 feet or more in width and cul-de-sac lots are required to be 35 feet in width in addition to 20 feet between street frontage and front property line. Lots are required to be accessed via public or private roadway. The City uses the combining district to permit mobilehome parks in any residential zones, as required by state law.

Individual mobile homes on permanent foundations are allowed outside of specified mobile home parks within any residential zoning district with the suffix "MH." Lot size is determined by the base-zoning district and only one mobile home is allowed per lot. Site plans for individual mobile home sites must be approved by the City's Planning Commission prior to issuance of a building permit. Individual mobile homes are not subject to additional design requirements above those required for standard site built housing per Government Code Section 65852.3.

To ensure compliance with state law, the City should revise its approach to regulating mobilehomes by: 1) clarifying that mobilehome parks are permitted in all residential zones, with a rezone to the "MH" combining designation, and 2) allowing individual mobile homes on permanent foundations within any residential district, without a rezone to the "MH" combining designation according to the same development standards as site-built homes.

Other Housing Types

Other housing types that are not included in Grass Valley's Zoning Ordinance but that are important to meeting housing needs is transitional housing and emergency shelters. Transitional housing provides shelter for people who are trying to establish residence in a permanent home. An

emergency shelter is a facility that provides shelter to families and/or individuals on a short-term basis. Because the Zoning Ordinance does not specifically recognize these types of housing as a land use, a determination of allowable location and design standards to which they must comply cannot be made. The Zoning Ordinance should be amended to recognize these uses, identify where they would be permissible, and under what design standards they would be held.

Renting of Rooms and Boarding Houses

Grass Valley permits renting of rooms and provision of board. The renting of rooms or the provision of board for up to four persons is permitted in any residential zone as an accessory use, subject to the requirements of a use permit. Boarding houses as the primary use of land that involve the provision of board for profit are allowed in the R-3 zone.

Historical District

Grass Valley's Zoning Ordinance identifies a Historical District, which is one of the three combining zones used in the City and is shown on Figure III-4. Combining zones are used in conjunction with basic zones, and are used to address special concerns and afford special protections not otherwise applicable to the base district. The designation of the Historical District does not create an additional set of development standards—the underlying zoning districts standards still apply. Rather, the designation requires that projects within the District be reviewed for compatibility with the historic nature of the area and specific historic properties. The historic compatibility review, as described below, is part of the regular permit process—there is no additional permit required. In fact, the City encourages the rehabilitation and re-use of properties in the Historical District for residential or mixed uses, as discussed previously.

Development within this combining zone is subject to review by the City's Development Review Committee for approval. In addition to the regular requirements of development review that are discussed later on in this document, the Committee considers all specifications for exterior improvements including building material, paint color, relationship of the development to nearby buildings, the general character of the Historical District, and the proposed development's conformity with design standards established for the Historical District. This level of review is limited to only those properties within identified Historical District zoning and only exterior improvements are reviewed. Given the limited area to which this Zoning District applies and that review is focused solely on exterior improvements, development of residential uses are not significantly constrained in this area.

Figure III-4
Historic District



iv. Allowances for Persons with Disabilities

The City conducted a comprehensive review of its policies and regulations as part of the Housing Element update to determine whether zoning standards, permit processes, or other governmental regulations create significant constraints to reasonable accommodations for persons with disabilities. The City has noted the results of its analysis in this Chapter through the description of zoning, building, and other code standards. This review was part of the broader analysis of zoning standards and permit processes conducted for, and described in, this Housing Element.

Grass Valley's Zoning Ordinance permits certain detached and attached accessory uses and various projections into yards and setbacks. While the Code does not specifically indicate that facilities for access by persons with disabilities are permitted, accessory uses such as ramps or lifts for handicapped accessibility are similar to the permitted uses that are specified and are generally allowed. Such requests are approved administratively unless the nature of the request triggers a major design review, which is unlikely. As part of the proposed update of the Zoning Ordinance proposed in Program 3, the City will add definitions for residential care facilities and allowances for handicapped access structures to provide reasonable accommodations for persons with disabilities.

Grass Valley's parking standards include the provision that handicapped parking is required in accordance with State requirements and any other applicable standards.

As described above, Grass Valley provides a wide range of options for the location of elder care facilities, group homes, and institutional care facilities. Elder care facilities and specified group care facilities are permitted in all residential zones, commercial zones, industrial zones, office and professional zones, and within specific plans. As noted above, there are no explicit provisions in the Zoning Ordinance for residential care facilities, other than elder care and childcare that could serve these needs of persons with various disabilities. Revision of the Zoning Ordinance to include standards for all residential care facilities could address this potential constraint.

v. Flexibility in Development Standards

Grass Valley's Zoning Ordinance includes three zoning districts that allow for development of all land use types and flexibility in development standards, subject to the approval of a use permit. These zoning districts are described below:

Planned Unit Development Zoning

Planned Unit Development (PUD) zoning consists of a floating zone that allows flexibility and innovation for the development of an area. PUD plans generally contain concepts such as cluster development, a mixture of housing types and of land uses, and common ownership of open space and community facilities. Residential development within a PUD area is subject to the development standards of the base zone. The benefit to processing residential development within the PUD process is that density of development is slightly different. The minimum lot size requirements do not apply and the maximum residential density is calculated by dividing the PUD plan area by the minimum lot area per dwelling unit required in the zoning district. Under this calculation, the achievable residential density can be higher than in the underlying zone. The City uses the PUD overlay zone to permit small lot, cluster home, and other alternative single-family lot configurations.

Specific Plan Zoning

The Specific Plan (SP) zoning provides for the preparation, adoption, and administration of specific plans as a means of systematically implementing the General Plan. Specific plans include land use designations, residential density standards, and design guidelines that direct development throughout the identified specific plan area. Development standards in a specific plan are not subject underlying zoning requirements but to the requirements of the adopted specific plan.

Interim Development Reserve Zoning

Interim Development Reserve (IDR) zoning identifies the development potential of an area without requiring exact zoning boundary designations until after the preparation of a master zoning plan or specific plan. IDR is typically used for land to be annexed to the City, where city zoning is expected to be essentially the same as county zoning. IDR zoning may be used as a base-zoning district or in combination with other zoning districts expected to be included following master plan completion. The City has yet to develop any residential projects with IDR Zoning Districts.

The zoning districts discussed above provide property owners with the opportunity to create projects that vary from the typical zoning standards found elsewhere in the City. These projects can typically better meet the objectives of the General Plan and the City's development needs by providing opportunities for differing densities and multiple family housing, which could be made affordable to low- and moderate-income households.

vi. *Nonconforming Uses*

Grass Valley allows residential property owners to continue non-conforming residential uses and to make needed repairs or alterations to maintain the non-conforming uses if they existed prior to the implementation of the Zoning Ordinance or adoption of current zoning standards. In the event the non-conforming use is discontinued for a period of 12 months, the use is no longer considered an allowable, non-conforming use. Needed repairs or alterations are permitted, including building modifications needed for accessibility by persons with disabilities.

Nonconforming uses may also be expanded or reconstructed so long as the modifications do not increase the existing nonconformity, create a new non-conforming use, or cause a conforming aspect of a use to become non-conforming to zoning standards. Modifications to buildings or construction of structures, such as access ramps needed for accessibility by persons with disabilities, are not considered by the City to be an increase in nonconformity or the creation of a new nonconformity.

vii. *Exceptions and Variances*

Grass Valley's Zoning Ordinance allows for the issuance of variances for properties subject to special conditions related to size, topography, location, or surroundings. Variances are only granted if the application of zoning standards would prevent a property owner from enjoying the same privileges as surrounding properties within the same zone. In light of the strict threshold requirements for variances to be approved, the City does not use the variance process as a primary technique to facilitate the development of affordable housing, but to address unique and unusual

property conditions. Other techniques described above, such as PUDs and specific plans, are used to provide flexibility in the application of zoning standards.

viii. Other Zoning Issues

The City allows several non-residential uses in all five residential zoning districts, subject to the requirements of a use permit. Religious organizations, public facilities, parks, and private clubs are generally allowed within residential zones. However, Grass Valley also allows day nursery and childcare homes, educational institutions, and riding, swimming, and tennis clubs. The allowance of a wide range of non-residential uses within residential zoning district could constrain the City's ability to accommodate its low- and moderate-income housing needs by allowing the limited supply of residential land to be developed for non-residential uses. This constraint could be eliminated by restricting the types non-residential uses allowed within residential zones to public uses, institutional uses, and uses that support residential uses.

D. Site Improvement Standards

Site improvements, such as streets and utilities, are necessary to serve new development. Improvement requirements are regulated by the City's subdivision ordinance. The City can mitigate the cost of these improvement requirements by assisting affordable housing developers in obtaining state and federal financing for their projects, providing density bonuses, and deferring or reducing development impact fees in exchange for long-term affordability of the assisted housing units.

i. Street Improvements

Of all improvement standards, street improvement standards typically have the greatest impact on housing costs. The cost of providing streets for new residential developments, in turn, is primarily influenced by the required right-of-way width, pavement width, pavement improvement, and landscaping standards. Grass Valley's street improvements requirements are shown in Table III-6.

The City's Circulation Element identifies three types of street, of varying widths and levels of service. Grass Valley's arterial streets typically have a right-of-way of 84 or 100 feet and provide service to large traffic volumes within two and sometimes four lane configurations. Collector streets serve a smaller traffic volume, within a two-lane configuration, and a right-of-way of 54 or 60 feet. Local streets function as neighborhood roads, providing direct access to lots that are adjacent to the paved section of road. These roads have a typical right-of-way of 50 feet and a pavement width of 36 feet, curb to curb. The pavement width required by the City is the generally accepted minimum necessary to provide for one lane of vehicular traffic in each direction and on-street parking on each side. The City's PUD overlay zone can be used to permit narrow rights-of-way and/or pavement widths when warranted based on proposed lot size, density, and housing unit configuration.

**Table III-6
Grass Valley's Street Standards**

Street Type	Required Right-of-Way	Required Pavement Width
Arterial Streets	84 feet	60 feet
Collector Streets	60 feet	46 feet
Local Streets	50 feet	36 feet

Source: City of Grass Valley, 2003

Required street improvements include curbs, gutters, and sidewalks of at least four and a half feet in width. The minimum sidewalk improvement standard is consistent with accessibility requirements for persons with disabilities and is not excessive in light of the need for ensuring minimum pedestrian access in residential areas.

ii. Drainage Requirements

Grass Valley requires developers to pay the entire cost of all on-site storm drainage facilities including underground storm drain pipelines, catch basins, detention basins, and other facilities that may be needed. The City also requires developers to pay their pro-rata share of the cost of area-wide drainage facilities through the collection of a drainage impact fee (see Table III-6).

iii. Sanitary Sewer

The City requires developers to install sanitary sewer lines that connect to the City's sewer system, except when a property is too far from an existing sewer main. Under such circumstances, septic systems and leach lines are allowed when conditions related to lot size and underlying geology are met. Developers providing supplemental improvements (oversized) connections to the City's sewer system provided by initial developers that result in excess capacity are eligible for reimbursement by subsequent developers.

iv. Water Lines

Developers are required to install water lines that connect to either the City's water system or the Nevada Irrigation District's water system, unless site conditions and the proposed project permit the use of a private well. Although the City's water system is sufficient to serve the projected buildout of Grass Valley, in some locations, requiring connections to the City's water system may result in an undue burden to development. The costs of supplemental (oversized) improvements that result in excess capacity provided by initial developers are reimbursable by subsequent developers.

E. Permit and Impact Fees

Requiring developers to construct on-site improvements and/or pay pro rata shares toward the provision of infrastructure, public services, and school facilities will increase the cost of developing homes, which in turn is reflected in the price or rent that consumers must pay for housing. However, payment of fees is necessary to maintain an adequate level of services and facilities, and more importantly, to protect public health and safety.

Grass Valley allows residential additions less than or equal to 500 square feet, without payment of impact fees. However, residential additions over 500 square feet are prorated up to the total per unit shown in Table III-7, based on a 1,400 square foot equivalent dwelling unit size.

Fees levied upon development by the City of Grass Valley include impact fees, review fees, and a regional transit fee. These fees are estimated to represent approximately eight percent of the total cost of building one dwelling unit in the City.

**Table III-7
Planning and Development Fees**

Single Family Home	Fee
Permit, Plan Review, & Inspection (Planning)	\$300+\$100/dwelling unit
Development Impact Fees (Local Circulation, Drainage, Fire, Police, Admin, Parks and Recreation)	\$2,149/dwelling unit
Regional Transit Mitigation Fee	\$527/trip
Multiple Family Residential	
Permit, Plan Review, & Inspection (Planning)	\$400/dwelling unit
Development Impact Fees (Local Circulation, Drainage, Fire, Police, Admin, Parks and Recreation)	\$1,607/dwelling unit
Regional Transit Mitigation Fee	\$527/trip
Other Development Fees	
Development Agreements	\$5,000 (deposit based)
General Plan Amendments	\$1,200
Planned Unit Developments	\$1,500 plus \$100/dwelling unit
Use Permit – Second Dwelling Unit	\$250
School Impact Fee	\$2.14 per square foot

F. Development Permit Procedures

i. Project Approval Timeframes

Development review and permit processing are necessary steps to ensure that residential construction proceeds in an orderly manner. However, the time and cost of permit processing and review can be a constraint to housing development if they place an undue burden on the developer. The permitting and review process for residential projects in Grass Valley can include conceptual development review and final development review. This process provides the opportunity for review and correction of the application by planning staff, the Development Review Committee, and other appropriate City agencies. The time necessary to complete the review process is generally dependant on several factors, including the complexity of the project being proposed, the various land use applications required, and the environmental review process to name a few. For projects with multiple components, reviews for compliance with various city standards are completed concurrently to reduce permit processing time.

Projects that are exempt from the review process take very little time to be approved. Small, in-fill projects that are generally less complex than large developments take a shorter time to approve, about six months. The majority of residential development is occurring within current city limits and is not associated with substantial environmental impacts, which greatly reduces the total time needed for review. Larger residential subdivisions, which typically have several components, may require the preparation of an environmental impact report and can take 12 to 18 months to approve. In addition, the City's General Plan, which provides direction and guidelines for development, has recently been updated and provides applicants with current information regarding environmental, infrastructure, air quality, and circulation conditions in the City, which can reduce the time needed to conduct environmental studies for development proposals.

Examples of the typical time from submittal of a complete application to final planning approvals are summarized below in Table III-8, based on three residential developments approved by the City within the past 12 months. These projects represent the typical range of zoning, subdivision, development review, public works, and other approvals necessary for projects within Grass Valley.

Given the environmental issues and review that apply to most undeveloped areas in Grass Valley, the City believes that three to six months for small projects and 12 to 18 months for large projects are reasonable timeframes to assure that local, state and federal environmental and water resource standards are met. The timeframes for project approvals can be reduced by working closely with applicants during the pre-application stage to identify and mitigate potential regulatory and environmental issues.

**Table III-8
Development Approval Timeframes**

Development Permit / Review Process	Time Frame*
Development Plan Review (Administrative/DRC)	1-2 months
Use Permit	2-3 months
Subdivision Tentative Map	3-5 months
Zone Change and GP Amendment	4-6 months
Environmental Review (EIR)	6-12 months
Development Review (by Planning Commission)	4-6 months
Appeal of DRC to Planning Commission	1-2 months
Appeal of Planning Commission to City Council	1-2 months

Source: City of Grass Valley, 2003

* Timeframe is dependent on the level of environmental review required by the California Environmental Quality Act.

The City estimates that the Development Review process takes approximately two months for a Use Permit approval, two months for Planning Commission approval, and two months for City Council approval. If a project is subject to review by planning staff, Planning Commission, and City Council, as well as being subject to environmental review, a project may require eight to 12 months to receive all City entitlements. This process adds an additional burden to the development of affordable housing by increasing the amount of time to get project approvals, which can increase the cost of providing affordable housing. The City could reduce the cost impact of permit

processing time by “fast tracking” affordable housing proposals—prioritizing the processing of affordable housing projects and assignment of a staff person to shepherd such projects through required city development reviews.

ii. Development Review Procedures

The development review process for residential projects in Grass Valley consists of various stages of review and approval. These steps include staff level review and approval, an optional Conceptual Development Review and Final Development Review, which is a required process for major residential subdivisions, subdivisions of 100 dwelling units or more. Projects requiring the issuance of a building permit, use permit, planned unit development application, and application for a specific plan with architectural elements are subject to development review in Grass Valley. Permits issued for the construction of one dwelling unit are exempt for the development review process. Approvals are obtained from the Development Review Committee (a department-level administrative body), the Planning Commission, and the City Council, depending on the level of development review required.

Staff level review and approval is acceptable for permits for the construction of one dwelling unit and minor proposals that are considered to be incidental to the existing building or surrounding community. This process only applies to projects that are consistent with Grass Valley's typical design standards, such as for yards, setbacks, building coverage, and building height limitations.

Conceptual Development Review is an optional stage of the review process during which an applicant can obtain the City's general reaction related to the design concept of the proposed project. Although this stage does not include a formal decision regarding the subject project, it is recommended that projects that may not conform to Grass Valley's Design Standards or projects that are atypical from more common residential developments exercise the Conceptual Development Review option. This affords the applicant with the opportunity to obtain the City's general reaction and decide whether to proceed through the remainder of the development review process with the current proposal or submit modifications. This stage of the process may result in a slightly longer development review but can also reduce the potential for costly project modifications at later stages in project review. Because the Conceptual Development Review process is optional, it is not considered a constraint to housing development.

During the development review process, the applicant is provided with specific comments regarding design, concept, and other aspects of the project, prior to final development review. Projects are reviewed in light of building and construction standards, onsite and offsite improvement requirements, and compatibility with developed property near the proposed project and Grass Valley as a whole. A public hearing may be held prior to final project approval and the project may be altered to reflect comments made by city staff.

The last stage of development review is Final Development Review, which constitutes a review by the final decision making authority, the Development Review Committee, Planning Commission, or City Council, depending on the size and type of the project. A public hearing, prior to the final decision, is also held during this stage of review for discretionary projects. A final decision regarding all applications associated with a given development project is made.

The final determination of compatibility is made by Grass Valley planning staff, who are responsible for signing a plan check routing sheet before the Building Department issues a building permit. For projects that do not comply with one or more of the design standards, a substitute treatment can be submitted for consideration. Planning staff considers the alternative treatment and determines whether it is compatible with the surrounding neighborhood. If so, the certificate of compatibility is issued for the alternative treatment. The planning staff's decision of compatibility can be appealed to the City's Planning Commission.

The City also has adopted Design Guidelines, which apply to multiple family residential development, residential development in the downtown area, and other special areas within the city limits. Multiple family projects are required to comply with design guidelines that include site planning, building placement, grading and hillside development standards, retaining wall height and construction materials, landscaping, and fencing and screening standards that consider adjacent land uses, security, and privacy issues. Design guidelines also establish architectural standards that address building form, roofs, and building materials which include stone, brick, block, wood, and other various standard materials. Multiple family projects are also required to provide sufficient pedestrian access and a safe internal circulation system. Design guidelines established for residential development in the downtown residential area and other special areas focus on the existing community of historical structures and further developing the existing character of the community. Historic street widths are retained and architectural details consistent with the historic community are required for new development.

Design review is not used to apply more restrictive zoning standards, such as those related to permitted height, required parking, yard and setback requirements, permitted density, and building coverage.

iii. Use Permits

Article 16 of the Grass Valley Zoning Ordinance regulates issuance of use permits by the City. The City has an application process and set of standards for projects requiring use permits. Residential projects that are subject to the requirements of a use permit include secondary units, rest homes, convalescent homes, and childcare homes. Use permits are approved by the Planning Commission, and may be revocable, conditional, or valid for a specified period of time. The Planning Commission may determine that a public hearing is necessary prior to making a decision on a use permit application. The criteria for approving use permits are non-specific and require the finding that the proposed use will not be detrimental to the health, safety, peace, morals, comfort, and general welfare of persons residing or working in the neighborhood of such proposed use or be detrimental or injurious to property and improvements in the neighborhood or general welfare of the City.

The City's use permit process does not specify the conditions under which a particular use may be permitted. Conditions generally imposed on developments subject to use permit requirement are related to compliance with zoning standards, hours of operation, creation of noise or other off-site impacts, site access, signage, transportation of clients, and other off-site issues. These standards do not generally impose significant barriers to the production of affordable or special needs housing.

iv. Process for Requesting Reasonable Accommodations

The City's process for providing reasonable accommodations allows individuals, or their representatives, to make requests for reasonable accommodations for persons with disabilities as part of the permit process. No additional permits are required or additional fees charged by the City. As described previously, the City will revise portions of its Zoning Ordinance to clarify allowances for disabilities access and residential care facilities (see Program 9). Requests for reasonable accommodations to meet the needs of persons with disabilities are generally approved administratively, and a use permit is not required. An exception would be a use (in contrast to an accessory structure or appurtenance) that requires a discretionary (use) permit, such as a residential care facility of seven or more persons. City staff is available to provide assistance regarding the processing of requests for the construction of accessory structures. Information regarding the approval of these structures is included within all public notices and agendas, as applicable.

G. Building Code and Enforcement

The City of Grass Valley implements Title 24 of the California Code of Regulations, in which California has adopted the Uniform Building Code (UBC) and other model codes (electrical, plumbing, mechanical, etc.), with revisions. The City has not adopted local amendments to the various model codes, which establish standards and requires inspections at various stages of construction to ensure code compliance. Although these standards and the time required for inspections increase housing production costs and may impact the viability of rehabilitation of older properties that are required to be brought up to current code standards, the intent of the codes is to provide structurally sound, safe, and energy-efficient housing.

The Grass Valley Building Department is responsible for enforcing both state and city regulations governing maintenance of all buildings and property. Code enforcement complaints are generally related to housing in need of rehabilitation. Property owners subject to code enforcement complaints regarding housing conditions are provided with information regarding the City's Residential Rehabilitation Loan Program.

Property owners are allowed sufficient latitude in making interior modifications to buildings to increase their accessibility and utility for persons with disabilities. Provisions during development review are also made in order to allow for exterior improvements to increase accessibility of a structure for persons with disabilities.

H. Environmental, Infrastructure, and Public Service Constraints

Environmental factors and a lack of necessary infrastructure or public services can constrain residential development in a community by increasing costs and reducing the amount of land suitable for housing construction. This chapter summarizes and analyzes the most pertinent constraints to housing in Grass Valley. Future residential development will be faced with challenges regarding supportive public infrastructure extensions and expansions.

i. Water Service

The local water supply is projected to support build out under the Grass Valley General Plan and can accommodate the City's share of regional housing needs through 2009. The storage and

distribution of potable water suffers from inefficiency due to the age of most of the City's storage and distribution facilities. The system was first constructed in the late 19th century and is in need of significant repair and replacement of older water lines to maintain and enhance existing levels of water service and accommodate the increased water service needs of new development. The City administers a Capital Improvement Program (CIP), funded through the payment of water bills, for its water service facilities, which identifies required projects, target year of completion, and the estimated costs of improvements. The City allocates \$54,900 for annual water system improvements and allocates additional funds for specific projects as needed. Other than the CIP, the costs of necessary water system improvements would be passed on to developers, on an as needed basis, creating an additional financial constraint to the development of housing.

Grass Valley maintains the policy to extend water distribution facilities to new development and newly annexed areas when the extension is feasible and cost effective. However, the physical arrangements for water service for future developments are currently uncertain. For example, a development agreement between the City and the North Star area will require that developers pay for the necessary extensions required to serve the North Star property. In some cases, the requirement to pay for extensive water line extensions could result in a cost constraint upon the development of housing. There is also the opportunity for developers to arrange water service through the Nevada Irrigation District (NID), which currently provides water service to the City areas located outside of the City's water service system. Topographical conditions and the location of the water treatment facility, also present a constraint upon the expansion of the City's water service system due to the added cost of pump stations and other distribution facilities required in some parts of the City.

ii. Sewer Service

Grass Valley currently operates a wastewater treatment plant that provides service to an estimated population of 12,000 people. The plant was recently expanded to a capacity of 2.78 million gallons per day (MGD), increasing the estimated service population to approximately 21,000 people. Prior to the expansion of the City's sewer collection treatment capacity, Grass Valley limited new sewer service connections to 100 "equivalent dwelling units" per year, on a first come, first serve basis. However, this limitation has been removed and no longer constrains housing development. Properties identified in Table III-1 have access to the City's sewer system but the property owners need to pay their pro-rata share of the cost of extending collection lines through the sewer impact fee charged by the City.

iii. Storm Drain

Grass Valley presently administers a variety of regulations designed to prevent flooding and address stormwater management. These include a flood ordinance, various provisions of the zoning and subdivision ordinance, and construction codes for residential developments. Grass Valley's Capital Improvement Program (CIP) contains a local stormwater drainage program and a regional stormwater drainage program, which is funded through the drainage impact fee identified in Table III-6.

Grass Valley's existing storm drain system will need to be expanded and new systems will need to be constructed to accommodate development within the City. Specifically, the majority of the areas identified for Planned Development such as Loma Rica Ranch, North Star, and Kenny Ranch,

which are identified to be located within areas subject to flooding during a 100-year storm event, will require new or expanded storm water storage and drainage facilities. The cost of facilities needed to serve individual developments must be provided by the developers of those properties.

iv. Biological Resources

Given Grass Valley's location within the transition zone between the lower foothill elevations and the higher Sierra Nevada Mountains, a variety of species of plants and animals occur that would normally be found within zones at both higher and lower elevations. The City also accommodates various locally important natural communities, including vernal pools, riparian corridors, creeks, tributaries, and specially adapted plant communities related to the presence of serpentine and gabbro geologic resources. These resources are protected by both State and federal legislation and are regulated by the United States Fish and Wildlife Service, the California Department of Fish and Game, and/or the California Native Plant Society.

Although the City does not have control over these regulations, residential development in new areas not previously disturbed by urban development, may be constrained by the presence of biological resources.

The City has addressed this constraint in its General Plan policies and implementation. Based on biological resource surveys conducted by the City or developers, Grass Valley does not anticipate that the presence of biological resources within the City's planning area will affect the development of medium or high-density housing in areas designated for such use.

The City's PUD, specific plan, or variance process can be used to mitigate biological resource constraints. On sites that may contain biological resources that must be conserved under state or federal regulations, the City allows development to occur on the non-constrained portion of a property so that the same residential density and number of units can be constructed.

Title 12 of Grass Valley's Municipal Code establishes the City's Heritage Tree Preservation policy, which requires that removal of any trees other than those grown for commercial harvesting or grown as part of a commercial orchard be subject to a Tree Removal Permit. Permits are issued by the Director of Public Works and can be appealed to the Planning Commission. Within fourteen days of receipt of the application, the Director of Public Works is required to issue a decision of whether the permit is granted. Criteria for the determination includes condition, age, scarcity or rarity of the subject tree as well as how many other trees or in the area, the effect removal may have upon soil stability, and the potential for the tree to be a public nuisance.

The City has not received a significant number of requests for Tree Removal Permits because there are few trees that meet heritage tree criteria within the current city limits. Most such trees are located on historic properties or in public rights-of-way are not likely to constrain housing development.

v. *Geology*

Serpentine rock is found abundantly within the Sierra foothills and is known to contain asbestos, from less than one percent up to approximately 25 percent. Asbestos is released from serpentine rock when it is crushed or broken. Grass Valley is located within the proximity of substantial serpentine deposits. Construction activities and road surfacing activities could be constrained because of the presence of this type of rock. The City has addressed this potential constraint through the implementation of construction practices that minimize the creation of dust that could create airborne asbestos particles.

Development in Grass Valley is also potentially constrained by topography, given the City's location in the foothills of the Sierra Nevada Mountains. Some land within the City limits is considered unbuildable and is therefore, required to be preserved in its natural state. The City has addressed this potential constraint by identifying land for medium and high-density housing that has fewer topographic constraints and permitting the "transfer" of housing units within a property onto a less sloped portion of a site. The City's PUD, specific plan, and variance processes are tools available to allow development to be focusing on the less sloped portions of a property. The newly updated General Plan also includes land use policies allowing for the maximization of the developable portions of residentially designated property while avoiding slope and other environmental resources constraints.

2. Non-Governmental Constraints

A. Availability of Financing

The availability of financing affects a person's ability to purchase or improve a home. Under the Home Mortgage Disclosure Act (HMDA), lending institutions are required to disclose information on the disposition of loan applications by the income, gender, and race/ethnicity of the applicants. This applies to all loan applications for home purchases and improvements, whether financed at market rate or with government assistance.

The disposition of loan applications submitted to financial institutions for home purchase and home improvement loans within Grass Valley are shown in Table III-9 and Table III-10. Included is the percentage of loans that are "approved" and "denied" by applicants of different income levels. The status of "other" loans indicates loan applications that were neither approved nor denied, but were not accepted by the applicant, or those applications that were withdrawn by the applicant.

i. Home Purchase Loans

In 2001, 422 households in Grass Valley applied for conventional loans to purchase homes in the City. Approximately 76 percent of the loan applicants were from above moderate income households (120% or more of County median family income). Moderate-income households (80% to 120% of median family income) and lower-income households (less than 80% of median family income) accounted for 18 percent and six percent of the applications, respectively. The overall loan approval rate was 76 percent. The approval rate for home purchase loans increased in relation to the increase in income level. Lower-income households had an approval rate of 68 percent

compared with above-moderate households, who had an approval rate of 76 percent. Moderate-income households had the highest approval rate at 79 percent.

During the same time period, 27 applications for government-backed home loans, such as FHA, VA, were submitted for purchasing homes in Grass Valley. To be eligible for such loans, residents must meet the established income standards. The overall loan approval rate was 81 percent. Of the three income categories, lower-income households had the highest approval rate at 100 percent.

Table III-9
Disposition of Home Purchase Loans

Applicant Income	Conventional Loans				Government-Backed Loans			
	Total	Approved	Denied	Other	Total	Approved	Denied	Other
Lower	28	68%	25%	7%	1	100%	0%	0%
Moderate	76	79%	14%	6%	10	80%	20%	0%
Above Moderate	289	76%	13%	10%	15	80%	7%	13%
NA ¹	29	76%	10%	14%	1	100%	0%	0%
Total	422	76%	14%	10%	27	81%	11%	7%

Source: Home Mortgage Disclosure Act data,

¹Loan applicants who chose not to disclose their income

ii. Home Improvement Loans

In 2001, 116 households in Grass Valley applied for home improvement loans. The overall approval rate was 55 percent, which is well below the approval rate for home purchase loans, 76 percent, seen in Table III-10. Above-moderate households accounted for the largest percentage of applications, 65 percent, and had the second highest approval rate at 59 percent. Applications with no disclosed income had the highest approval rate at 60 percent. Lower-income households had the lowest rate of approval at 40 percent.

Table III-10
Disposition of Home Improvement Loans

Applicant Income	Conventional Loans			
	Total	Approved	Denied	Other
Lower	10	40%	40%	20%
Moderate	26	50%	35%	15%
Above Moderate	75	59%	21%	20%
NA ¹	5	60%	40%	0%
Total	116	55%	27%	18%

Source: Home Mortgage Disclosure Act data, 2001

¹Loan applicants who chose not to disclose their income

To address potential private market lending constraints and expand homeownership and home improvement opportunities, Grass Valley offers and/or participates in a variety of home buyer and rehabilitation assistance programs. Such programs assist lower- and moderate-income residents by increasing access to favorable loan terms to purchase or improve their homes. The Housing Strategy chapter of this Housing Element contains more detailed information on the type and extent of available programs.

iii. Home Loan Interest Rates

The cost of borrowing money to buy a home is another factor affecting the cost of housing and overall housing affordability. The higher the interest rate and other financing costs charged for borrowing money to purchase a home, the higher the total cost of the home and the higher the household income required to pay that cost.

The effect of financing costs on housing costs is demonstrated by showing how monthly mortgage payments (principal and interest) on a 30-year \$200,000 loan, increase with higher interest rates. The household income required to make those payments also increases with higher interest rates. Table III-11 provides an example of the impact of financing costs on housing cost.

Table III-11
Financing Costs for a Mortgage of \$200,000

Interest Rate	Required Monthly Mortgage Payment¹	Required Household Income
5%	\$1,074	\$61,360
6%	\$1,199	\$68,520
7%	\$1,331	\$76,080
8%	\$1,468	\$83,847
9%	\$1,609	\$91,960

Source: www.interest.com – Mortgage Calculator

¹ Assumes 30 % of income is spent on housing and 70 % of housing expenditures are for mortgage payment

As shown in Table III-12, monthly payments increase by about \$120 to \$145 for every one-point increase in interest rates, in the range of five percent to nine percent. As monthly payments increase, the income required to cover those payments also increases from about \$61,000 to \$92,000 (assuming 30 percent of income allocated for housing expenditures). If, instead, household income were held constant, the share of income spent on housing would have to increase from 30 percent to 45 percent, as the interest rate increases from five percent to nine percent.

From the perspective of a buyer with a given household income, the higher the financing costs, the lower the mortgage amount that the household income can support and, thus, the lower the housing price that the household can afford. The effect of financing costs on housing affordability can be demonstrated by showing how the mortgage amount (and housing price) that a household can afford based on its household income declines with higher interest rates. Table III-12 shows the

effect that interests have on the amount for which a household can qualify, assuming a median income of \$53,100 for a household of three persons.

Table III-12
Effect of Interest Rates on Qualifying Loan Amount
(Assuming 2003 Area Median Income of \$53,100 for a Three-Person Household)

Affordable Monthly Mortgage Payment¹	Interest Rate	Maximum Qualifying Loan Amount
\$930	5%	\$179,886
\$930	6%	\$161,065
\$930	7%	\$145,147
\$930	8%	\$131,604
\$930	9%	\$120,015

Source: www.interest.com – Mortgage Calculator

¹ Assumes 30 % of income is spent on housing and 70 % of housing expenditures are for mortgage payment

The mortgage amount that a household with income at the current median level for Nevada County can afford declines from \$180,000 to \$120,000 as the interest rate increases from five percent to nine percent. That change makes a substantial difference in the price of housing that the household can afford to buy. It also increases the amount of public subsidy required to provide affordable homeownership opportunities to median-income households.

Currently, and in recent years, interest rates have been at relatively low levels. Nevertheless, financing costs are still significant, and many households have difficulty purchasing a home. To address these costs, Grass Valley has a first-time homebuyer program. The Grass Valley Down Payment Assistance Program provides deferred interest loans of up to \$50,000 to income qualified, first time home buyers.

B. Land Costs

A key factor determining housing cost is the price of raw land and any necessary improvements. A review of property listings for land in Grass Valley indicates that the cost of residential land varies by location and degree of improvement. According to local land brokers, the average cost of raw land in Grass Valley with no improvements or entitlements in 2003 is \$5,629 per acre. The cost of land with varying degrees of improvements or entitlements is approximately \$20,000 to \$35,000 per housing unit.

The range of land costs varies considerably, however. For example, residential land with no improvements or utility connections can be purchased for less \$10,000 per acre (for properties of more than 100 acres) to as much as \$40,000 per acre (for properties of one to two acres). In contrast, a ready-to-built single-family lots can cost between \$20,000 and \$35,000 for parcels of 10,000 or less, between \$28,000 and \$40,000 for lots of 10,000 to 20,000 square feet, between \$50,000 and \$80,000 for lots of one-half acre to one-acre, and \$95,000 to \$100,000 for lots of approximately one acre. Multifamily land can cost \$60,000 or more per acre before improvements,

utility connections, and permit entitlements, which would result in a ready-to-build land cost of more than double the unimproved land cost.

C. Construction Cost

i. Single-Family Homes

Many factors can affect the cost of building a single-family house, including the type of construction, custom versus tract development, materials, site conditions, finishing details, amenities, square footage, and structural configuration. These factors create a wide variation in construction costs, from as little as \$75 per square foot for basic construction to as much as \$125 for high-quality custom construction. A basic, 1,200 square foot starter home could be constructed in Grass Valley for \$100,000 to \$150,000. This cost range represents only the cost of construction (labor and materials, not other development costs). Table III-13 provides an estimate of all housing development costs in Grass Valley, including construction costs.

Table III-13
Minimum Construction Cost Component Analysis

Housing Cost Component	Single-Family Home 1200 sq. ft.	Multi-Family Unit 750 sq. ft.
Raw Land Cost per Unit	\$30,000	\$20,000
Lot or Pad Cost ¹	\$35,000	\$25,000
Building Permit Fees	\$1,200	\$870
City AB1600 Fees	\$2,150	\$1,610
Regional Traffic Fees	\$630	\$440
School Mitigation Fees	\$2,572	\$1,605
Sewer Connection Fees	\$7,860	\$5,580
Water Connection Fees	\$3,300	\$1,200
Unit Construction Cost	\$114,000	\$55,000
Marketing/Real Estate Commission	\$13,570	\$8,450
Builder's Salary/Profit	\$33,933	\$21,135
Total Unit Cost	\$244,215	\$140,890

Source: City of Grass Valley, December 2003

¹Including entitlement, engineering, agency fees, and infrastructure construction



IV. STRATEGY

A. Introduction

This chapter of the Housing Element contains the City's strategy for meeting housing needs identified in Chapter II (Community Profile), the use of resources available to the City, and the reduction of barriers to the availability of housing for all residents as described in Chapter III (Resources and Constraints). As required by state law, this chapter contains quantified (numerical) objectives for housing construction, housing rehabilitation, and the preservation of affordable housing, with a five-year program of actions that:

- Provides regulatory concessions and incentives and uses local, federal, and state financing and subsidy programs to support the development of affordable housing;
- Identifies adequate sites with appropriate zoning, development standards, services and facilities to encourage the development of a variety of types of housing for all income levels;
- Assists in the development of adequate housing to meet the needs of low- and moderate-income households;
- Addresses and, where appropriate and legally possible, removes governmental constraints to the maintenance, improvement, and development of housing, including housing for all income levels and housing for persons with disabilities;
- Conserves and improves the condition of the existing affordable housing stock, which may include addressing ways to mitigate the loss of dwelling units demolished by public or private action;
- Promotes housing opportunities for all persons regardless of race, religion, sex, marital status, ancestry, national origin, color, familial status, or disability; and
- Preserves assisted housing developments for lower-income households.

Grass Valley has traditionally provided the bulk of Nevada County's affordable housing as the center of commerce and industry for the Sierra Foothills region of the County. About 30 percent of the City's housing stock was constructed prior to 1950 that consists primarily of homes on small parcels. The income of Grass Valley residents is significantly lower than the countywide average, and rising housing prices have significantly increased the number and percent of homeowners paying more than 30 percent of their incomes for housing. Although the City has accommodated residential development for all population segments through annexation and infill development, its ability to meet future housing needs will be affected by environmental conditions, particularly slopes that constrain the density of development in much of the City's planning area.

For these reasons, Grass Valley's housing strategy, while including additional annexations and development of land within the City's Sphere of Influence, also relies on infill development, re-use of underutilized properties, and mixed-use development to meet future housing needs. The City also seeks to achieve a greater balance in housing development so that greater opportunities for market-

rate housing are provided and affordable housing is integrated with market-rate units in new residential developments.

B. Evaluation of Achievements (1993 Housing Element)

State law (California Government Code section 65588 (a)) requires each jurisdiction review its housing element as frequently as appropriate to evaluate:

- The appropriateness of the housing goals, objectives, and policies in contributing to the attainment of the state housing goal;
- The effectiveness of the housing element in attainment of the community's housing goals and objectives; and
- The progress of the city, county, or city and county in implementation of the housing element.

According to the California Department of Housing and Community Development (HCD), Housing Element Questions and Answers: A Guide to the Preparation of Housing Elements, the review is a three-step process:

- Review the results of the previous element's goals, objectives, policies, and programs. The results should be quantified where possible (e.g., the number of units rehabilitated), but may be qualitative where necessary (e.g., mitigation of governmental constraints).
- Compare what was projected or planned in the previous element to what was actually achieved. Analyze the significant differences between them. Determine where the previous housing element met, exceeded, or fell short of what was anticipated.
- Based on the above analysis, describe how the goals, objectives, policies and programs in the updated element are being changed or adjusted to incorporate what has been learned from the results of the previous element.

This chapter documents the City's achievements under the 1993 Housing Element with respect to the actions and objectives contained in the Element describes the relative success of the City's efforts to implement the 1993 programs, and contains recommendations for program changes to address current and projected needs and state requirements between 2001 and 2009.

Summary of Achievements

During the planning period covered by the 1993 Housing Element (1992 – 1997), the City of Grass Valley implemented a number of actions to plan for, accommodate, and facilitate the construction, rehabilitation, and preservation of affordable housing. Among these actions were:

- Annexation of nearly 200 acres to provide additional land for residential development within the City's Sphere of Influence, and commencement of annexation for another 600 acres for several projects that will include a mix of commercial and residential uses;
- Expansion of the City's sewer system to serve a population of 21,000;

- Approval and assistance for the construction of 270 housing units affordable to very low- and low-income households, with another 133 affordable housing units approved or pending approval as of June 2003;
- Implementation of residential design guidelines that promote energy conservation and solar access;
- Receipt of \$1.5 million in CDBG funds and \$1.1 million in HOME funds to rehabilitate 44 homes and assist 50 first-time homebuyers;
- Approval of a variety of housing alternatives for all segments of the community, including market-rate single-family homes, affordable rental housing for low-income families, senior housing, and mobilehomes;
- Completion of water, sewer, and street improvements to upgrade older neighborhoods;
- Provision of fair housing information at its public counter and training of counter staff to handle fair housing complaints and referrals;
- Approval of affordable rental housing projects that include 20 handicapped accessible units funded by approximately \$3 million in HOME funds;
- Update of the Grass Valley General Plan in 1999 to include two new land use designations (Town Center Overlay and Special Development Area designation) that encourage mixed-use developments;
- Collaboration with a nonprofit housing provider to preserve 176 assisted rental housing units that were at risk of conversion to market-rate housing during the planning period; and
- Receipt of a CDBG planning grant in 2003 to study design alternatives for affordable workforce housing.

**Table IV-1
Description of Achievements**

PROGRAM ACTIONS	ACHIEVEMENTS
1. PROVIDE ADEQUATE SITES FOR HOUSING	
Annexed land will be zoned appropriately, reflecting environmental conditions and the City's remaining housing needs for the 1992-1997 planning period.	During the 1992-1997 planning period, Grass Valley completed 14 annexations totaling approximately 197 acres with at least some residential land uses. Typical projects that resulted in annexations include: • Glenwood Pines - Annexation of 3.574 acres for development of three residential lots. • Olympia Plaza – Phase II – Annexation of approximately 14 acres for mixed use development. • Doris Drive Area – Annexation of 25 acres for residential land uses. • Brunswick Inn – Annexation of 10 acres for Elder Health Care Facility. • Habitat for Humanity – Annexation of 2.14 acres for R-1 and R-2 residential zoning. • Rick Sether – Annexation of 1 acre of pre-zoned R-1 residential land. • Navo-Coleman/Richardson-Cooley and Olympia Glade Properties – Annexation of 35.40 acres for residential land uses including a mobile home park. • Edgar Rogers Property – Annexation of 26 acres of pre-zoned residential land including a cemetery area
Concentrate annexation efforts on unincorporated sites adjacent to the City which can easily be served by the City sewer system and which have the capacity to accommodate development at densities that would support low- and moderate-income housing. Sites appropriate for development at six dwelling units per acre or more should receive the highest priority for annexation because there is an identified potential shortage of these sites	During the planning period, the City completed annexations for approximately 197 acres of peripheral land that was immediately adjacent to the existing city limits. As noted above, the projects that were involved in the annexations consisted of varying densities of residential land uses. The City processes annexations based on the Sphere of Influence Plan or individual requests for annexation and does not prioritize them by potential

PROGRAM ACTIONS	ACHIEVEMENTS
within the present City limits.	land use density.
Identify those sites most appropriate for annexation to meet the City's share of the region's housing needs between 1992 and 1997, and contact owners to encourage annexation.	Sites that are the most appropriate for annexation are identified within the City's Sphere of Influence Plan. This plan establishes five year and 20 year boundaries outside of the existing city limits that indicate land likely to be annexed in the future. The plan also establishes appropriate land use designations for these areas. As noted above, the City annexed approximately 197 acres during the planning period.
Reduce the up-front annexation fee and instead, charge the costs of connecting to City services at the time those services are actually required for development to induce annexations. Consider discounts of these fees for low-income housing developments.	Annexation fees were not reduced during the planning period because of budget considerations. Fees charged for annexation are needed to cover staff costs of processing annexation requests. To offset the cost of processing annexation requests that may include the development of affordable housing, the City will provide incentives such as density bonuses, flexible application of development standards (such as through the PUD process), assistance in obtaining state and/or federal subsidies, or redevelopment housing set-aside funds to specific projects that include very low-income, low-income, or senior housing units.
Annexed land will be zoned based on the identified and appropriate development capacity to avoid subsequent rezoning from R-1 to a higher density zone for sites that can accommodate six or more dwelling units per acre. This will permit needed multifamily housing by right at densities that can support low- and moderate-income housing.	The City pre-zones areas prior to annexations based on the General Plan designations, which alleviates the need for later rezoning of property. The City can also process a General Plan amendment concurrently with an annexation request for properties that are appropriate for higher density residential use.
Applicants of large site annexations will be encouraged to use a planned development process to allow greater flexibility and variety in housing types and densities as higher densities permit multifamily housing by right.	Several large site annexations are still pending. These developments are being processed through the entitlement phase as planned developments and/or specific plans, which are similar processes. The annexations will be completed during the planning period. The four large site development projects pending annexation are: Loma Rica Ranch - 452 acres for business park, recreation, open space, and 180 housing units (121 acres). An Annexation Agreement was reached in 1997. An application has not been received but is expected to be filed

PROGRAM ACTIONS	ACHIEVEMENTS
	within the planning period. North Star - 760 acres for commercial, school, open space, and 363 housing units (312 acres). An Annexation Agreement was reached in 1997. An application has not been received but is expected to be filed within the planning period. Kenny Ranch – 150 acres for development of mixed land uses including residential (100 units on 100 acres). An Annexation Agreement was reached in 1998. An application has not been received but is expected to be filed within the planning period. South Hill Village - 238 acres for development of retail commercial, business park, office, and residential land uses. The annexation process is not complete. Development within the annexation areas is encouraged to be clustered or grouped to assist in the reduction of infrastructure development costs. Pedestrian use and other alternative modes of transportation will be considered in building design. Although development proposals for these areas are preliminary, it is anticipated that they will include elements of workforce housing and mixed-use development to accommodate sufficient residential land uses. Due to topography and other environmental issues, the City will encourage housing developments to be clustered at higher densities on developable portions of properties designated for residential use so that the remainder of the properties can be left undeveloped to reduce adverse safety environmental resource impacts.
Adopt local funding mechanisms to ensure that public facilities and services can be extended to annexed land. Efforts to accomplish this action include a joint City-County Master Street Program, public support of the second efforts of both school districts to gain voter approval of bonds for school construction, and seek sources of funding to expand and upgrade the City's sewer system (see also Program 19)	With local funding, the City began expanding the sewer system in 1999 and completed the project in 2002. The City's sewer system now has the capacity to treat 2.78 million gallons of wastewater per day and serve a population of 21,000 people. As identified in the current General Plan, Grass Valley's population was 16,000 people in 1999 and is projected to be 23,395 in 2020. The City-County Master Street Program and School bonds were not pursued during the planning period because they were not necessary.

PROGRAM ACTIONS	ACHIEVEMENTS
2. DENSITY BONUS	
Offer a density bonus of 25% and at least one other financial or regulatory incentive, as required by state law, whenever a developer proposes to include at least 10% very low-income dwelling units or 20% low-income dwelling units within a development.	The City allows interested developers to receive density bonuses on a project-by-project basis as required by state law. To implement this program more effectively, the City will add a chapter to the Zoning Ordinance that provides for density bonuses and will promote this program to the development community.
Require rental housing developments, in exchange for the density bonus, to restrict affordable units through a suitable legal instrument to ensure the units affordability for a minimum period of time and at a maximum cost as established by Section 65915 of California Government Code. As of January 1, 1992, the maximum cost is 30 percent of 60 percent of the median income for Nevada County.	The City is home to a large percentage of affordable rental units. However, no low-income or senior rental projects constructed during the planning period received density bonuses, as these projects did not need to exceed the maximum densities permitted in the R-2 and R-3 zones to be financially feasible.
Require ownership projects, in exchange for the density bonus, to require that purchasers meet established income guidelines and intend to occupy the affordable units as their primary residence. Require purchasers to reside in their units for a minimum period of time to avoid resale restrictions. If this minimum time period is not met, the City will reserve the right to recapture a portion of the profit on the sale of a dwelling unit.	No residential developments were constructed during the planning period that received density bonuses. None of the low-income housing constructed during the planning period were homeownership projects, except for the Habitat of Humanities properties (see #1 – Provide Adequate Sites for Housing). Homebuyers in the City are not currently required to meet established income guidelines unless they are participants in other funding programs that have income guidelines implemented by the City. The City does not believe it is necessary to establish separate guidelines for ownership projects that receive density bonuses.
Adopt an ordinance to implement the density bonus program in accordance with the requirements of state law. Include income eligibility guidelines, provisions for applicant screening, a procedure for monitoring the continued affordability of affordable units, and a procedure for administering the requirements for ownership housing.	The City needs to adopt and revise its density bonus program during the planning period. The City will continue this program and include a density bonus chapter in the Zoning Ordinance.
3. AFFORDABLE HOUSING REQUIREMENTS OF REDEVELOPMENT LAW	
Adopt formal policies and procedures implementing the affordable housing	The City does not currently enforce any inclusionary requirements for

PROGRAM ACTIONS	ACHIEVEMENTS
provisions of redevelopment law, which require that 15% of any privately constructed or rehabilitated dwelling units within the Redevelopment Area, and 30% of any dwelling units constructed or rehabilitated by the Redevelopment Agency anywhere in the City, be affordable to very low- and low-income households.	affordable housing within residential developments, except affordable housing required by state law to be provided within the redevelopment project area. However, an AB1290 Plan was previously adopted and updated in June 2003 that governs the provision of affordable housing within the City's redevelopment project area and/or projects assisted by the Redevelopment Agency (as required by state law). Pursuant to the requirements established by the AB1290 Plan, a few residential developments have been approved and are required to have units available for low-income households. Approximately 270 affordable units were constructed during the planning period as a result of this program (both rental and ownership units). The City does not believe that a citywide inclusionary housing program is needed now given the City's history of facilitating affordable housing through other means.
4. PURSUE STATE AND FEDERAL FUNDING	
Pursue available and appropriate state and federal funding sources in cooperation with private developers, non-profit housing corporations, the Nevada County Housing Authority, and other interested entities to support efforts to meet the housing needs of low- and moderate-income households and to assist persons with rent payments required for existing units.	Several projects were processed during the planning period that received State and/or federal funding. Projects that received funding include: • Oak Ridge Apartments – An 80-unit apartment project that was completed in 1996. All units are for very low-income (45% of area median income) households. The City worked with the private developer to receive tax credit funding from the California Tax Credit Allocation Committee. • Cedar Park Apartments – An 81-unit apartment project under construction as of September 2003. Of these units, 65 will be for low-income (60% of area median income) households and the remaining 16 units will be for very low-income households. The City worked with the private developer to receive federal HOME funds for 11 units and State tax credit funding from the California Tax Credit Allocation Committee for the remaining units. • Glenbrook Apartments – A 52-unit apartment project that was recently approved. Of these units, 41 units will be for low-income households

PROGRAM ACTIONS	ACHIEVEMENTS
	and the remaining 11 units will be for very low-income households. The City worked with the private developer to receive federal HOME funding for 20 units and State tax credit funding from the California Tax Credit Allocation Committee.
5. USE OF TAX INCREMENT FUNDS FOR AFFORDABLE HOUSING	
Possible use of tax increment revenues to subsidize on-and off-site infrastructure improvements that will directly benefit a lower-income housing development or to provide financing for lower-income housing projects by the Redevelopment Agency. Tax increment funding will be one of several financial incentives the Redevelopment Agency will offer to developers to make the provision of low-income housing financially feasible. The Redevelopment Agency will develop guidelines for the use of tax increment funds for the development of affordable housing as part of the plan in Program 3.	Although guidelines for the use of tax increment funds for the development of affordable housing were not established during the planning period, the City examined the use of tax increment funds to subsidize infrastructure improvements that directly benefited lower-income housing. Phase 3 of the Mill Street Improvement project will be partially funded through tax increment funds and will benefit existing households. The Richardson Realignment project, which will begin construction in 2003, will also be funded through tax increments and will benefit existing City residents.
6. MORTGAGE REVENUE BONDS	
Investigate the feasibility of applying jointly with other communities and/or Nevada County for an allocation from the state to issue mortgage revenue bonds or other mortgage backed securities, to assist in the development of affordable ownership and rental housing. Apply for at least one allocation. The financial feasibility of issuing bonds will depend on the ability of the Redevelopment Agency to raise the required ½ percent deposit (either from tax increment funds or developer contributions, or both), the size of the bond issue relative to the costs of issuing the bond, and the interest rate at which the bonds can be sold.	The City did not jointly apply for an allocation from the state to issue mortgage revenue bonds or other mortgage backed securities to fund development of affordable housing or rental housing. Although joint application for funding is a feasible option for future residential development in the City, during the planning period no projects were proposed that warranted the pursuit of this program. Because Grass Valley is a small city, it may be more appropriate to investigate the formation of a joint powers entity or a joining an existing consortium with other cities and counties in the region to pool resources.
7. WEATHERIZATION AND ENERGY CONSERVATION FOR EXISTING DWELLING UNITS	
Post and distribute information on currently available weatherization and energy conservation programs in conjunction with housing rehabilitation.	The City is not currently posting/distributing information on weatherization programs. However, as discussed below in conjunction with Program 8, the City's Building Department requires new development to comply with the

PROGRAM ACTIONS	ACHIEVEMENTS
	provisions of Title 24 on an ongoing basis. Rehabilitation loans facilitated through the City to low-income homeowners include weatherization and energy improvements as permitted activities to receive the loan. The City could promote weatherization opportunities through its existing housing rehabilitation program.
8. ENERGY CONSERVATION FOR NEW CONSTRUCTION	
Enforce state requirements, including Title 24 requirements, for energy conservation in new residential projects and encourage residential developers to employ additional energy conservation measures with respect to the location of buildings, landscaping, and solar access. Any landscaping and development design guidelines prepared by the City will include consideration of energy and resource conservation.	The responsibility of enforcing state energy requirements, including Title 24, lie with the Grass Valley Building Department. Energy calculations are required for any new construction or new square footage on existing buildings and commercial remodel. The City's Design Guidelines include standards on solar access and landscaping standards to increase energy conservation for new developments. This is an ongoing program.
9. HOUSING REHABILITATION PROGRAMS	
Continue to use local, federal, and state for funds for housing rehabilitation.	During the planning period, the City pursued funding from the federal Community Development Block Grant Program (CDBG), which provides funding for a variety of community development activities. Eligible activities include acquisition and/or disposition of real estate or property, public facilities and improvements, relocation, rehabilitation and construction of housing, homeownership assistance, and clearance activities. The City was awarded CDBG grants in 1994, 1995, 1997, 1999, and 2001. All of the grants received have been used except the 2001 grant, which will expire at the end of 2004. The City received approximately 1.5 million dollars in CBDG funding, which was used for rehabilitation of 44 homes low-income households between 1993 and the present. The City is using public outreach to inform citizens regarding the eligibility requirements and benefits of participating in the rehabilitation program. The City also administers a First Time Homebuyer program, which is funded through grants awarded by the federal HOME Investment Partnership Program. Between 1993 and the present, the City was awarded

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	approximately 1.1 million dollars in HOME funding that was used by 50 first time homebuyers to purchase homes in Grass Valley. These programs are ongoing programs administered by the City's Community Development Department. The First Time Homebuyer program has been relatively successful in consideration of the limited funding available for the program.
10. COMMUNITY REINVESTMENT ACT	
Contact financial institutions serving Grass Valley to solicit interest in providing financing for low- and moderate-income housing as part of their responsibility under the federal Community Reinvestment Act. Seek specific lending commitments to be used in conjunction with Redevelopment Agency funds and state and federal funds.	During the planning period, Grass Valley conducted presentations to local banking institutions regarding the City's current housing programs, including the Housing Rehabilitation program and the First Time Homebuyer program. All projects that were completed because of City's rehabilitation and first time homebuyer programs received discounted rates from title companies, appraisal service companies, and pest control companies. Current work by the City includes a housing rehabilitation campaign directed at local lending institutions.
11. ANNUAL HOUSING ELEMENT MONITORING REPORT	
Annual evaluation and report to the City Council on the City's progress in meeting its Housing Element objectives by Planning Department. Report will include recommendations regarding changes in Housing Element programs. Report will also include the following information, only to the extent applicable and in as much detail as appears warranted each year: • Progress made toward achieving the City's fair-share housing allocation, • A summary of effort taken to improve the condition of the City's housing stock (e.g. CDBG-supported rehabilitation loans), • An inventory of remaining vacant sites in zones suitable for the development of housing for low-income households, • A summary of efforts undertaken to relocate residents displaced by	City Staff made presentation to the City Council during the planning period related to Redevelopment Agency activities, some of which related to Housing Element objectives. During the 1992-1997 planning period, Grass Valley achieved its regional housing allocation of housing units through implementation of programs established by the Housing Element.

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redevelopment and to replace affordable units lost as a result of redevelopment, • A progress report on actions to meet special housing needs, The City Council will decide, based on this annual evaluation of its progress, whether or not to adjust its program actions or to adopt new program actions.	
12. SECTION 8 PROGRAM	
Continue to cooperate with the County Housing Authority in its administration of the Section 8 rental assistance program and increase the availability of Section 8 vouchers and certificates in the City. Provide necessary documentation to the Housing Authority to apply for additional Section 8 commitments.	The City provides necessary information to the Nevada County Housing Authority for assistance with Section 8 requirements on an ongoing basis.
13. ALLOW ALTERNATIVE HOUSING TYPES	
Continue to allow secondary dwelling units, group homes, homeless facilities, manufactured homes on individual lots, and mobile home parks according to the requirements of state law.	During the planning period, the City continued to allow the development of alternative housing types. For example, the Olympia Glade Mobile Home Estates was approved during the period. The City also adopted an Elder Care Ordinance, which addresses affordable care facilities for low-income seniors and their specific transportation needs. Ordinance 610 was adopted during the planning period and addresses the conversion of existing multiple family rental housing to uses such as condominiums, community apartments, and stock cooperatives. In order to reduce impacts of a conversion on rental housing residents, the ordinance requires that all conversions be subject to the City's use permit process. As specified by the ordinance, conversions of assisted housing units are not allowed unless the City's regional housing allocation of affordable housing can be met after the conversion is complete.

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14. DEVELOPMENT OF PLAN FOR THE USE OF REDEVELOPMENT HOUSING SET-ASIDE FUNDS	
The Redevelopment Agency will establish, and periodically update, a set of policies and procedures to guide the implementation of the low- and moderate-income housing requirements for redevelopment tax increment revenues. This should include establishing a discrete Housing Fund and outlining priorities for the expenditure of Housing Fund monies. Potential activities which can legally be supported by the Housing Fund include the following: • Acquisition of land for the development of affordable housing during the 1992-97 period • Provision of short- and long-term development financing assistance to developers of low- and moderate-income units; • Provision of grants or low-interest loans for housing rehabilitation or conversion; • Advancement of funds to developers of affordable units who are eligible for other federal or state funding assistance which is not immediately available – repayment of advanced funds can be conditioned on receipt by the developer of other assistance funds; • Planning, designing, and construction of low- and moderate- income housing; • Payment of predevelopment costs for developers of affordable housing; and • Construction of on- and off-site improvements necessary to support the private development of low- and moderate-income housing	The City's current Implementation Plan, prepared pursuant to AB 1290, covers the years 2000 to 2004. The plan identifies various projects for which the Agency can provide funding. Projects identified in the plan will be funded through the Agency include the Richardson Realignment project that will begin construction on 2003 and the Mill Street Improvements project, which is also anticipated to be constructed within 2003. Projects that were completed between 1992 and the present include: • Main Street Improvements Project - Completed in 1998-99 • Bank Street Improvement Project - Completed in 1993-94 • Centerville Flume Phase II - Completed in 1995-96 • East Main St. Improvements • Slide Ravine Sewer Line Improvements - Completed in 1995-96 • Portable Classrooms at Hennessey School - Project Complete. • Habitat for Humanity - \$50,000 The Housing Set-Aside fund includes a construction fund that receives approximately \$600,000 a year and a housing fund that receives approximately \$150,000 a year. These funds provide financial assistance for construction and rehabilitation of affordable housing within the City. For example, the Cedar Park project, an 81 unit very low- and low-income multi-family housing development, received approximately \$30,000 dollars of funding from the Redevelopment Agency. During the planning period, the Redevelopment Agency administered and provided funding for the City's First Time Homebuyer Program. This program provides loans for down payments for potential first time homebuyers within a certain income group. Approximately 50 households in Grass Valley were assisted through this program from 1994 to the

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	present. The City's First-Time Homebuyer Program is targeted to assist households that have incomes that are 80% or less of the county's median income. Households that receive financial assistance through this program must meet the income eligibility guidelines, be residents of the City, and not have owned a home in the last three years. The property to be purchased with this funding must pass the health and safety inspection and be located within the City limits. Participants in this program are also required to have approved mortgage loans and other financial assistance if necessary so that the homeowner will pay between 29% and 32% of their income on housing. The average loan per household through this program is between \$30,000 and \$40,000.
15. FAIR HOUSING PROGRAM	
Continue to promote equal housing opportunity for all persons regardless of race, religion, sex, marital status, ancestry, national origin, or color by supporting efforts of community groups, which provide counseling, investigatory, legal, or referral services to victims of discrimination. Specifically, the City will: • Maintain information on state and federal fair housing laws at the Planning Department for public distribution, • Designate an individual at the City to refer victims of housing discrimination to the appropriate local organization or to the State Fair Employment and Housing Commission, and • Seek the cooperation of the local homebuilders association, Realtor association, and lenders in disseminating fair housing information. Develop a program to annually publicize the fair housing complaint process, including the preparation of press releases to the local media, notices to	The Fair Housing Program is implemented on an ongoing basis by the City's Building Department at the public counter. As opposed to designating one person to deal with fair housing discrimination, the City has educated its public counter staff to be able to provide that information to people as it is requested. Information on housing discrimination is available upon request. A pamphlet entitled "Fair Housing, Its Your Right" is also made available to the public.

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community and church groups, and the distribution of fair housing information to places of public gatherings (library, post office, City Hall, etc.).	
16. HANDICAPPED ACCESSIBILITY	
Continue to implement state standards for accessibility in new housing by handicapped individuals. Encourage developers of affordable housing to incorporate mobility-impaired accessibility in their project design, and require such design considerations in any development projects in which the City provides funding, financial or regulatory incentives, or acts as on behalf of the developer as an applicant for state or federal funding.	Implementation of state standards for handicapped accessibility is a continual program enforced by the City. Projects that receive State funding are required by law to have units that will be handicapped accessible. Two projects, the Cedar Park Apartments and Glenbrook Apartments include approximately 20 handicapped accessible units. Development of these units was funded with approximately three million dollars in HOME funds.
17. MIXED USE DEVELOPMENTS	
Encourage housing over street-level commercial uses in the downtown area, when such a development approach can contribute to the City's balance of housing in relation to jobs or provide affordable housing for low- and moderate-income households. Encouragement of this type of development would occur primarily through a flexible regulatory approach, which allows the conversion of residential hotels and commercial spaces above street-level for year-round residential use. Low-cost "gap" financing from the Redevelopment Housing Set-Aside funds could also provide further encouragement of production of this type of housing.	The City completed a General Plan Update in 1999. The updated General Plan included two new land use designations that encourage a mix of land uses including residential uses above commercial uses. The land use designations are Special Development Area, and the Town Center Overlay. The Special Development Area designation is for areas that will be developed through a specific plan or master plan, which provides greater flexibility in application of the City's zoning code. The Town Center Overlay designation applies to the City's downtown area and promotes the protection and enhancement of the historic character while allowing for development. The City also approved Olympia Plaza and the Village of South Auburn, as mixed-use projects.
18. PRESERVATION OF AT-RISK HOUSING	
Work with property owners, other public agencies, and non-profit housing corporations to preserve existing subsidized rental housing in which the owner could increase rents to market rates within the next ten years. To	The previous Housing Element indicated that there were 176 rental dwelling units in projects that could convert to market-rate rents within the next five years, and 83 additional dwelling units in projects that could convert within

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encourage existing owners to maintain the affordability of such rental housing, offer low-interest rehabilitation loans from Redevelopment Housing Set-Aside Funds, subject to the availability of funding at the time of request; assist owners in applying for state or federal low-interest rehabilitation loans, or provide “gap” financing to interested public agencies or private non-profit housing corporations interested in purchasing “at-risk” rental housing developments.	the next ten years. Valley View Apartments, Grass Valley Terrace, and Valley Commons East are assisted apartment units that were at risk of converting to market rate rents. During the planning period, the City began working with Mercy Housing California to assist Valley View Apartments (50 units) from converting to market rate rents and was able to extend the subsidy period to 2023. Three other rental properties containing 225 units also received extension so their regulatory periods to 2023. As a small city, Grass Valley has to apply for all HOME and CDBG funds. There are state funds available, through the Department of Housing and Community Development’s (HCD) HOME Investment Partnership Program, which allows jurisdictions in conjunction with a housing development organization to apply for grant funds that can be used to preserve and enhance apartments that are at-risk of going to market rate.
19. INCREASE SEWER CAPACITY	
Continue to pursue state or federal and local funding to expand its sewer treatment capacity so that the City can meet its share of the region’s housing needs with the burden of expansion costs shifted to new development rather than existing ratepayers.	With local funding, the City began expanding the sewer system in 1999 and completed the project in 2002. The City’s sewer system now has the capacity to treat 2.78 million gallons of wastewater per day and serve a population of 21,000 people. As identified in the current General Plan, Grass Valley’s population was 16,000 people in 1999 and is projected to be 23,395 in 2020.
20. REDUCE REGULATORY BARRIERS TO AFFORDABLE HOUSING	
Review and revise the zoning standards and permit process to encourage the production of ownership housing for moderate-income households and to assure that zoning requirements do not unreasonably impact low-income housing proposals. Among the standards for consideration are: • Reduction of the minimum 10,000 square foot lot size on a case-by-case basis for single family developments in Planned Unit Developments	Revisions to the City’s Zoning Ordinance during the 1992-1997 planning period included minor revisions to Articles 3, 11A, 11B, 13D, 13E, 14, and 14A. The revisions addressed alternative issues and did not result in the achievement of the goals established by this program. Although the City succeeded in facilitating the development of affordable rental housing, it was less successful in encouraging market rate-developers to provide ownership housing affordable to low-to median-income households.

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on large tracts of land to be annexed to the City, provided that such a reduction is tied to the provision of housing affordable to low- or moderate-income households, and the topography of the site could support a reduction in lot sizes; • Increase in development flexibility in the R-2A zone to encourage patio homes, townhouses, attached homes, zero lot-line homes, and other types of ownership housing that are potentially affordable to moderate-income households; • Addition of an economic/financial feasibility criterion to the City's design review standards so that less costly design alternatives can be explored by developers to encourage the production of housing affordable to low- and moderate-income households; and • A reduction in the number of parking spaces otherwise required by the zoning code when a developer can demonstrate that less parking is needed (for example, in the case of an elderly housing proposal, housing located next to public transit, or housing in a mixed-use development where residents work at places of employment within the development). • Providing priority processing to low- and moderate-income housing proposals when "fast-tracking" such applications are necessary to secure state or federal funding or control of the site for the housing proposal. • Identifying and rezoning one or more sites suitable for a density of between 25 and 30 dwelling units per acre to meet the City's housing construction objective for low-income households.	The City's experience with the production of affordable housing since 1990 has lead to the conclusion that a base residential of 25 to 30 units per acre is not needed to facilitate such housing. However, the City does provide sufficient flexibility through its planned development, specific plan, and special planning area processes to approved higher residential densities in individual cases, if necessary and appropriate, to increase the feasibility of producing affordable housing However, the Zoning Ordinance is scheduled for a thorough review and revision in 2003. As part of the review, the requirements that potentially unreasonably impact development of affordable housing will be identified, reviewed, and revised as necessary. A CDBG Planning grant has been awarded to the City for the evaluation of the current permit process and development of mechanisms to streamline the construction of affordable housing. The City also completed a strategic plan for the Downtown area, which recommends parking reductions for residential uses to 0.5/du if parking is shared with office uses (on or off site) or if the residential unit is located on the upper floor of an existing structure.
21. DESIGNATE APPROPRIATE LOCATIONS FOR HOMELESS AND TRANSITIONAL HOUSING	
Review and revise the zoning code to identify zones in which homeless and transitional housing will be allowed.	See discussion of Program 20 above. Pursuant to the current zoning ordinance, homeless and transitional alternatives can be accommodated within R-2, R-3, and a few of the commercial zoning districts subject to the

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	requirements of a use permit. The City has adopted an Elder Care Ordinance, which is described in detail with Program 13 above.
22. ENCOURAGE THE USE OF DEVELOPMENT AGREEMENTS	
Encourage developers to enter into agreements with Grass Valley, vesting the developer's right to proceed with a project under the regulations in effect at the time of application, in exchange for commitments from developers on providing or establishing a financing mechanism for necessary public facilities that serve new development.	The City allows developers to enter into development agreements, which guarantee that subsequent changes in land use regulations will not affect the subject project during the period specified in the development. Development agreements are discussed as an option with developers during application submittal or at pre-application meetings. Typically, planning staff prepares the agreements, which are subject to Planning Commission and City Council approval. The City levies a fee to fund the preparation of these documents. Three large developments have entered into annexation agreements with the City since 1997. Both the Loma Rica Ranch and the North Star developments are subject to agreements signed in 1997. The Kenny Ranch project is subject to an agreement signed in 1998.

C. Goals and Policies

GOAL A: To Designate Sufficient Land at Appropriate Densities and Establish Development Standards and Permit Procedures to Accommodate the City's Share of Nevada County's Housing Needs for All Income Groups

POLICY 1: The City shall maintain an adequate supply of residential land in appropriate land use designations with access to public facilities and services, to accommodate projected household growth and Grass Valley's share of Nevada County's housing construction need for all income groups.

POLICY 2: As needed, the City shall annex land within its Sphere of Influence (SOI) to maintain an adequate supply of residential land.

POLICY 3: The City shall implement flexible land use regulations, through a planned unit development process, allowances for mixed-use and other zoning techniques to encourage a range of housing types and densities within a single development.

POLICY 4: The City shall promote infill residential development through the preparation of an "Infill Strategy Policy" which would identify suitable development sites, design goals, and incentives.

GOAL B: To Address Special Housing Needs as Defined by State Law and Local Conditions

POLICY 1: The City shall continue to implement state law regarding the establishment of group homes (residential care facilities) in residential zones, but shall seek to avoid the overconcentration of such residences in any particular neighborhood.

POLICY 2: The City shall ensure that its land use regulations do not present barriers to the location of childcare facilities within new residential developments or within reasonable proximity to where such facilities are needed.

POLICY 5: The City shall encourage new rental housing facilities for large families.

POLICY 4: The City shall allow housing oriented to the needs of existing and future elderly residents in any residential zone according to density and other standards for each zone.

POLICY 5: The City shall allow overnight shelters and transitional housing facilities for homeless individuals and families in appropriate zoning districts subject to compliance with development standards for those zones.

POLICY 6: The City shall implement state and federal requirements for persons with disabilities in new residential developments. Any housing developments in which the City acts as a developer, provides financing, or assists a developer in applying for state or federal funds must address the needs of persons with disabilities.

POLICY 7: The City shall continue to allow second dwelling units in any residential zone according to standards included in the City's Zoning Ordinance.

POLICY 8: The City shall continue to allow manufactured homes on permanent foundations in any residential zone, subject to compliance with development standards for each zone.

GOAL C: To Meet the City's Low- And Moderate-Income Housing Needs

POLICY 1: The City shall pursue state and federal funding assistance that is appropriate to Grass Valley's needs to develop housing that is affordable to low- and moderate-income households.

POLICY 2: The City shall use available local financing techniques, such as mortgage revenue bonds, mortgage credit certificates, other mortgage-backed securities, or other feasible financial assistance techniques, to assist homebuilders in developing affordable housing.

POLICY 3: Where government-assisted residential units are required to sell or rent at less than market rates are, included within a housing development, such units shall be interspersed within the development and shall be outwardly indistinguishable from market-rate units.

POLICY 4: The City shall continue to work with the Nevada County Housing Authority in the administration of affordable housing programs.

POLICY 5: The City shall revise zoning standards to assure the encouragement of alternative types of affordable ownership housing.

GOAL D: To Preserve the Existing Housing Stock and Conserve Existing Affordable Housing Opportunities

POLICY 1: The City shall encourage private reinvestment in older residential neighborhoods and private rehabilitation of housing.

POLICY 2: The City shall pursue state and federal funding assistance that is appropriate to the City's needs to rehabilitate housing. The City shall also contribute redevelopment tax increment funds to support the rehabilitation of the existing housing stock.

POLICY 3: The City shall work with interested nonprofit and for-profit housing providers to acquire rental housing in need of rehabilitation and to maintain the affordability of the units to low-income households, should such action be the only feasible method of preserving affordable rental housing.

POLICY 4: The City shall continue to make code-enforcement inspections upon a complaint basis to assure that rental housing is maintained in habitable condition according to County Health Department standards.

POLICY 5: The City shall work with the Nevada County Housing Authority to maintain and increase the availability of federal rental subsidies in the City.

POLICY 6: The City shall work with existing owners of "at-risk" subsidized rental housing, other public agencies, and interested nonprofit housing providers to maintain the affordability of government subsidized rental housing developments that could convert to market rate housing within the next ten years.

POLICY 7: The City shall maintain an inventory of historic residential structures and pursue alternatives to work with property owners in preserving such structures.

GOAL E: To Assure that All Present and Future Residents Have Equal Access to Housing Commensurate with their Financial Capacity

POLICY 1: The City shall provide public information on state and federal fair housing laws.

POLICY 4: The City shall refer discrimination complaints to the State Fair Employment and Housing Commission. The City shall train public information campaign.

POLICY 3: The City shall cooperate with community-based organizations that provide services or information to victims of housing discrimination.

POLICY 4: The City shall seek joint sponsorship with local homebuilders, real estate agents, and lenders of a periodic fair-housing public information campaign.

POLICY 5: The City shall encourage "workforce" housing that is affordable to residents who are employed locally through a study that identifies opportunities to develop such housing and design alternatives that would make the production of such housing financially feasible.

GOAL F: To Promote Residential Energy Conservation

POLICY 1: The City shall ensure that new residential construction meets minimum state standards for energy efficiency.

POLICY 2: The City shall promote energy conservation through its land use planning and development standards.

POLICY 3: The City shall encourage greater energy efficiency in older residential structures.

D. Implementation Programs

GOAL A: To Designate Sufficient Land at Appropriate Densities and Establish Development Standards and Permit Procedures to Accommodate the City's Share of Nevada County's Housing Needs for All Income Groups

PROGRAM 1: Adequate Sites for Housing

Action: Grass Valley shall work with owners of vacant and underutilized land within the City and its Sphere of Influence (SOI) to provide sufficient sites with adequate zoning, public facilities, and services to meet the City's housing needs for all income groups. This program will consist of the following actions:

- a) As land is annexed, the City shall utilize one or more of the following options: 1) apply an appropriate zoning category or categories that reflects environmental conditions and development needs; 2) encourage the incorporation of mixed-uses to all areas being evaluated for annexation; 3) work with property owners to prepare a specific plan containing project-specific development standards; or 4) apply a planned unit development overlay zone designation to permit variation from the strict application of zoning standards. These options reflect historic City practices in annexing land since the adoption of the 1993 Housing Element.
- b) The City shall concentrate its annexation efforts on unincorporated sites adjacent to the City, which can be readily served by the City's sewer system and that have the capacity to accommodate development a mix of low- and moderate-income housing. (See Tables III-1 and III-2 for a list of sites and the development potential of those sites.) Because the City has identified a potential shortage of sites within the present city limits that could be developed at six or more dwelling units per acre for low- and/or moderate-income housing, sites appropriate for development at six dwelling units per acre or more should receive the highest priority for annexation. The City shall take the initiative by identifying those sites most appropriate for annexation to meet the City's remaining share of Nevada County's region's housing needs between 2003 and 2009, and by contacting the property owners and encouraging them to plan land for annexation to the City. This process will be similar to the City's practices since 1993. (See section B of this chapter, Evaluation of Achievements, for information on City annexations since 1992.)
- c) The City shall zone annexed land at the time of annexation based on the identified and appropriate development capacity (see Tables III-1 and III-2) so that a subsequent rezone is not necessary for sites that can accommodate higher density residential uses and/or mixed residential-commercial development. This will permit needed multifamily housing by right (without a conditional use permit) at densities that can support low- and moderate-income housing.
- d) For larger sites to be annexed to the City, Grass Valley shall encourage applicants to use a planned development or specific plan process, or apply the special planning area designation (SDA), to allow greater flexibility and variety in housing types and densities. SDA is a mixed-use designation; a variety of land uses might be proposed and approved under the aegis of the specific plan, master plan, or similar instrument. The primary inducement for the use of this

process is the greater flexibility offered to land owners in the design of their development proposals. Planned development permits also facilitate the development of multifamily housing without the need for subsequent rezoning or conditional use permits by vesting the right to construct multifamily housing at the time a planned development permit is approved. The SDA designation is reserved for areas to be master planned or subject to a specific plan. When imposed, SDA designation replaces previous General Plan designations within the subject property(ies), and serves as a temporary "holding" classification pending completion and approval of a specific plan, master plan, or similar instrument.

- e) The City shall adopt local funding mechanisms to ensure that public facilities and services can be extended to annexed land. The City's efforts to accomplish this action may include the adoption of a City Street Master System Program, if needed, to serve developing areas on the periphery of Grass Valley, publicly supporting the efforts of local school districts to gain voter approval of bonds for school construction, and seeking sources of funding to expand and upgrade the City's sewer system.
- f) For properties designated R-3 or other multifamily land use category under a specific plan, the City shall require developers to achieve at least a mid-range between the minimum and maximum densities (between eight and 20 units per acre in the case of sites designated R-3 or multifamily high density). The City will review developer requests to build at less than the mid-range on a case-by-case basis, taking into account design considerations, slopes, and other relevant site issues. On properties with slopes or other environmental constraints, the City will encourage developers to transfer housing units to the unconstrained portion of a property.
- g) The City shall undertake two site planning studies (which could be funded with a Small Cities CDBG planning grant) to: a) identify specific properties within the Downtown Plan area and/or along selected commercial designated corridors of the City with residential and mixed-use potential, quantify the residential development potential on these properties, and promote these sites to the development community; and b) conduct a site-specific analysis of R-2 and R-3 properties over one acre in size and other one-acre-or-more infill properties that may be appropriate to designate for R-3 to determine realistic development potential based on slope, other environmental conditions, access to public transportation, roadway and other infrastructure improvements, and other relevant factors.

Discussion: To correlate land use categories with income groups, the following assumptions are made: very low- and low-income housing needs can be met with land zoned at 18 dwelling units per acre or more (25 with a density bonus) that moderate-income housing needs can be met with land zoned at six to 20 dwelling units per acre, and that above moderate-income housing needs can be met with any residentially-zoned land. As part of its annexation process, the City should encourage residential developers to include housing affordable to families with children to alleviate overcrowding among large families and affordable ownership housing for moderate-income households. This will increase the availability of rental housing to low- income households and reduce the proportion of such households paying more than 30 of their income for housing expenses.

Responsibility:

Community Development Department, Planning Commission, City Council

Timeframe:

Current and ongoing, 2003 - 2009 (annexations occur one or more times per year as needed and as requested by property owners); implementation

of annexation policies occurs through pre-annexation and pre-application meetings. City applied for CDBG planning grant in October for the site inventory and Colfax Avenue infill opportunities. Look at building and vacant land for revitalization. The other study will focus more on parking standards for job creation and development of the downtown area but could also facilitate mixed uses in the downtown area. Implement action 1(f) as City policy upon adoption of the Housing Element and include implementation of this action as part of the Zoning Ordinance update (see Program 3 for timing). Implement action 1(g) in spring 2004 once the City executes CDBG planning grant agreements with the State of California to fund these studies.

Funding:

Annexation application fees, CDBG, RDA.

Objective:

Accommodate the City's remaining share of Nevada County's future housing needs (see Table II-27)

PROGRAM 2: Flexible Development Standards and Mixed Use Developments

Action: The City shall encourage creative approaches to meeting housing needs through a planned development process and allowances for mixed-use development, such as housing over street-level commercial uses in the Downtown area and mixed use developments in annexation projects, when such developments can contribute to the City's balance of housing in relation to jobs or provide affordable housing for low- and moderate-income households. The City will promote opportunities for creative development in pre-application and pre-annexation meetings with applicants, information to be distributed at the Community Development Department public counter, and a website link to the Community Development Department (which includes Redevelopment Agency programs).

The City shall also implement recommendations of the Downtown Strategic Plan that provide for mixed-use development, including:

- Maintain the mixed-use character of Richardson Street: and encourage additional density for both commercial and residential uses, while discouraging the conversion of residential structures that would result in displacement of lower-income residents (unless relocation assistance and/or replacement housing is provided);
- Within the Hotel Area, integrate properties fronting on South Auburn with the hotel development and the remainder of downtown, and to insure appropriate access, building orientation, adequate parking, and appropriate land use, including potential for residential above ground level commercial; and
- Investigate the feasibility of developing podium housing over larger existing public and private parking lots along Church Street.

To promote its efforts to encourage mixed-use development and other creative approaches to residential development, the City will work with the Grass Valley Downtown Association to implement recommendations of the Downtown Strategic Plan, provide information on the City's General Plan policies and zoning options to the local building industry and realtor associations, and distribute information on the City's policies and regulations at the Community Development Department's public counter.

Discussion: The City's Planned Unit Development (PUD) Zoning consists of a floating zone that allows flexibility and innovation within a plan area, including concepts such as cluster development, a mixture of housing types and land uses, and common ownership of open space and community facilities. The Town Center overlay (TC) is one of two new "overlay" designations (Open Space Opportunity is the other) that were adopted as part of the 1999 General Plan update. Examples of the City's approval of mixed-use development in an annexation area are the Olympia Plaza (Phase II), which included approximately 14 acres for mixed-use development, and the Village of South Auburn, another mixed-use project. In both cases, housing was included in projects that were developed on lands zoned, or partly zoned, for commercial use.

The TC overlay defines Downtown Grass Valley. Town Center designation recognizes that design and architectural features are of greater concern than land use designations in downtown, where "mixed use" is both accepted and encouraged. Protection and enhancement of Downtown's historic character are the primary intentions of the TC district. Various land uses may be accommodated in the TC district, so long as historic character and design/architectural standards are upheld. "Underlying" land use designations are to be maintained on parcels within the TC overlay, although TC standards override those of comparable zoning districts in cases of conflict. Town Center encompasses Downtown Grass Valley properties clustered along South Auburn, Mill, and Main Streets. Street-level commercial, specialty shops, restaurants, upper level residential and offices, and cultural uses are encouraged. As an overlay designation, Town Center does not relate directly to specific zoning districts.

Responsibility:	Community Development Department, Planning Commission, City Council
Timeframe:	Use of Planned Development, Special Planning Area, and other zoning techniques, current and ongoing, 2003 - 2009 Pre-annexation and pre-application meetings with applicants will occur each year as needed based on property owner interest Complete study of feasibility of podium housing along Church Street and master plan for Hotel Block by December 2005 Encourage additional density along Richardson Street on an opportunistic basis, as development proposals are submitted
Funding:	Application fees, CDBG, redevelopment housing set-aside funds
Objective:	Increase the options to provide for a variety of housing to meet the needs of all income groups

PROGRAM 3: Reduce Regulatory Barriers to Affordable Housing

Action: The City shall review and revise its zoning standards and permit process to encourage the production of ownership housing for moderate-income households and to assure that zoning requirements do not unreasonably impact low-income housing proposals. Among the revisions to zoning, standards for consideration the City will adopt:

- a) As part of the Density Bonus Program, provide flexibility to developers to: 1) allow structures/residential buildings to encroach into front yard set-backs; 2) allow parking areas, but

not parking structures, in the required front yard set-back in the R-2A and R-3 zones to provide developers with greater flexibility, but require visual screening or landscaping so that parking areas in front yard set-back areas are not apparent from the public right-of-way; and 3) allow less parking than currently required if an applicant can show that residents will have a lower rate of automobile ownership due to their incomes, lifestyle characteristics, project location, or other relevant factors. (See recommendation #2 below.)

- b) To implement the Downtown Strategic Plan, reduce required parking for residential uses to 0.5/du if parking is shared with office uses (on or off site) subject to the approval of the Planning Commission and Section 14.12 of the Zoning Ordinance or if the residential unit is located on the upper floor of an existing structure.
- c) To ensure that the City complies with state law regarding community care facilities in residential zones, amend the Zoning Ordinance to define community care facilities of six or fewer persons, regardless of type, as permitted uses in residential zones and larger facilities as conditionally permitted uses with a use permit.
- d) To implement new state law requirements for second units, effective July 1, 2003, adopt an administrative, or staff level, permit process. The City shall revise its permit process for second units to eliminate the use permit requirement and public hearing before the Planning Commission.
- e) Clarify in the Zoning Ordinance that mobilehome parks are permitted in the R1, R2 residential zones with the application of the "MH" combining designation and that individual mobile homes on permanent foundations are permitted under the same standards as site-built single-family homes (without being subject to additional permit requirements).
- f) Provide definitions and specify zoning districts for transitional housing and emergency shelters. The City could also adopt conditional use permit criteria specifically governing development standards for these uses, such as hours of operation; external lighting and noise; provision of security measures for the proper operation and management; compliance with county and state health and safety requirements for food, medical, and other supportive services provided on-site; maintenance in good standing of county and/or state licenses, if required by these agencies for the owner(s), operator(s), and/or staff of a proposed facility; and similar operations and management issues.
- g) Limit the types of non-residential uses allowed within multifamily residential zones to public uses, institutional uses, and uses that support residential uses. Currently, a broad range of nonresidential uses is permitted in the R-3 zone, and to a lesser extent in the R-2 zone, which could reduce the land available for housing.
- h) Reduce the cost impact of permit processing time by "fast tracking" affordable housing proposals—prioritizing the processing of affordable housing projects and assignment of a staff person to shepherd such projects through required city development reviews. Expediting the approval of affordable housing includes the use of CEQA exemptions for affordable housing, as permitted by state law, early notification and coordination with local neighborhood groups by one applicant and use of the design review to address site design issues early in the process.

- i) To promote infill housing and mixed-use projects in the Downtown area: 1) reduce or eliminate the City's minimum lot area per dwelling unit of 2,000 square feet, which is a low density for infill projects; and 2) allow for reduced rear yard set-backs for residential and mixed-use projects. (For loading purposes, Section 9-03 (b) of the Zoning Ordinance requires a 12-foot rear yard setback where the project backs-up to a street alley or parking lot. Residential or mixed-use projects are not likely to require loading areas.)
- j) The City will add to the Zoning Ordinance allow for the placement of structures and modifications (such as handicapped access ramps) in yard and set-back areas to meet the needs of persons with disabilities.
- k) The City shall take a more proactive role in lobbying the state on policy/legislative issues that affect housing, such as workers compensation, liability insurance, and prevailing wages

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Adopt zoning revisions by December 2005
Funding: Application fees
Objective: Reduce regulatory barriers to facilitating the provision of a variety of housing for all income groups

PROGRAM 4: Implement General Plan Policies

Action: Through measures described in programs 1 – 3, the City shall continue to implement General Plan policies that encourage efficient use of unconstrained land and a healthy economic base, such as:

- Clustering of housing units in annexation areas (such as Loma Rica, Kenny Ranch, and North Star);
- Promoting the use of infill properties;
- Avoiding slopes and environmental resource areas;
- Maximizing efficient use of unconstrained portions of residentially designated properties by allowing opportunities for higher densities on unconstrained land;
- Promoting new developments in annexation areas that include a combination of residential uses, commercial services, and employment opportunities for Grass Valley residents;
- Encourage mixed-use developments on larger parcels in newly developing areas, incorporating jobs, generating businesses, and industry housing; and
- Promote primary jobs and core employment opportunities; those that export goods while importing capital.
- Encourage mixed use developments on larger parcels in newly developing areas incorporating jobs, generating businesses and industry housing.
- Promote primary jobs and core employment opportunities; those that export goods while importing capital.

For implementation, see programs 1 – 3.

PROGRAM 5: Encourage the Use of Development Agreements

Action: The City shall encourage developers to enter into agreements with Grass Valley, vesting the developer's right to proceed with a project under the regulations in effect at the time of application, in exchange for commitments from developers on providing or establishing a financing mechanism for necessary public facilities that serve new development. Grass Valley will promote this option during pre-annexation and pre-applications meetings.

Discussion: The primary inducement for a developer to enter into such an agreement is the guarantee that subsequent changes in land use regulations will not affect the proposed project during the period covered by the agreement.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Current and ongoing, 2003 – 2009, as part of the application process
Funding: Application fees
Objective: To expedite the process of final development approvals

PROGRAM 6: Annual Housing Element Monitoring Report

Action: The Planning Department shall annually evaluate and report to the City Council on the City's progress in meeting its Housing Element objectives. The report to the City Council will include recommendations for changes in Housing Element programs. The report will also include the following information, only to the extent applicable and in as much detail as appears warranted each year:

- Progress made toward achieving the City's fair-share housing allocation;
- A summary of efforts taken to improve the condition of the City's housing stock (e.g., CDBG-supported rehabilitation loans);
- An inventory of remaining vacant sites in zones suitable for the development of housing for low-income households;
- A summary of efforts undertaken to relocate residents displaced by redevelopment and to replace affordable units lost as a result of redevelopment; and
- A progress report on actions to meet special housing needs.

The City Council will decide, based on this annual evaluation of the progress, whether or not to adjust its program actions or to adopt new program actions.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Annual report by or before October 1 each year
Funding: General Fund
Objective: To evaluate progress annually and make appropriate revisions to policies and programs

PROGRAM 7: Promote Infill Development

In conjunction with Program 1, Adequate Sites for Housing, the City shall modify its annexation policies and procedures to promote infill development and development adjacent to the City (within its planning area) before seeking to expand the Sphere of Influence. Within the existing city limits, the City will promote infill development in the Redevelopment Area and other parts of the City where adequate public facilities and services are already in place and where small projects can be integrated with existing neighborhoods.

For areas to be annexed to the City, Grass Valley shall adopt policies and procedures to address:

- The provision of affordable workforce housing units and a mix of housing types;
- Integration of community design principles of General Plan, such as clustering, grouping or mixing of uses, protecting important natural features, and providing internal pedestrian and bicycle connectivity;
- Future transportation/infrastructure needs and current project-related deficiencies;
- Future park/recreation facility needs and maintenance costs;
- Future short- and long-term fiscal impacts;
- Definition of annexation boundaries, phasing and rate of growth; and
- Consistency with General Plan policies and Sphere of Influence Plan.

The City will promote its annexation policies and procedures through an informational flyer at the Community Development Department public counter, a link on the City's web site, distribution of the policies and procedures to the local building industry association, and pre-application meetings with applicants.

Responsibility:	Community Development Department, Planning Commission, City Council
Timeframe:	Annexation plan containing additional policies and procedures was adopted in July 2003. Promotion of City policies will begin December 2004 and continue thereafter once workforce housing and downtown planning grant studies have been completed (see programs 1(g) and 11) .
Funding:	General Fund
Objective:	To ensure integration of annexed areas to the City and achievement of General Plan goals and objectives

GOAL B: To Address Special Housing Needs as Defined by State Law and Local Conditions

PROGRAM 8: Allow Alternative Housing Types to Meet Special Needs

Action: The City shall continue to allow secondary dwelling units, group homes (residential care facilities), homeless and transitional housing facilities, and manufactured homes on individual lots and in mobile home parks, and farmworker housing according to the requirements of state law. To promote the City's development standards for alternative housing, the City will provide information at the Community Development Department public counter, provide a website link, and offer pre-

application meetings to explain the City's policies and regulations. The City will also promote its standards for alternative housing types through its ongoing contacts with nonprofit housing organizations.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Current and ongoing, 2003 - 2009 (see Program 3 for timeframe on regulatory revisions to better implement this program)
Funding: Application fees
Objective: Provide greater housing and shelter opportunities for special needs groups

PROGRAM 9: Housing for Persons with Disabilities

Action: The City shall continue to implement state standards for accessibility in new housing by handicapped individuals. The City will require developers of affordable housing to incorporate adaptability and accessibility features in their project designs. The City will also continue to allow:

- Accessory structures in new housing developments and retrofitting of older homes to meet the needs of persons with disabilities;
- Handicapped access structures, such as ramps or lifts, within required yard and set-back areas;
- Residential care facilities designed for persons with disabilities; and
- On-site supportive services in combination with residential uses for persons with disabilities.

The City will promote its policies and standards for housing and services for persons with disabilities by providing information at the Community Development Department public counter, a website link, pre-applications meetings with housing and service providers, and periodic meetings with nonprofit and public agencies that serve persons with disabilities (as part of the City's annual grant activities (see Program 15).

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2003 - 2009
Funding: Application fees
Objective: Provide greater housing and shelter opportunities for persons with disabilities

PROGRAM 10: Designate Appropriate Locations for Homeless and Transitional Housing

Action: The City shall review and revise its Zoning Ordinance to identify appropriate zones in which homeless and transitional housing will be allowed. Transitional housing, which is more consistent with conventional residential uses, may be appropriate in R-3 and mixed-use zoning districts. Overnight and short-term homeless shelters, which are more institutional in nature, may be appropriate in certain commercial zoning districts.

Discussion: Under the City's present practice of zoning code interpretation, homeless shelters can be permitted as "group homes" in R-3 and commercial zones. However, the nature of most overnight and short-term homeless shelters, and their need for proximity to transportation and other

services, might make such uses more appropriate for commercial zoning districts. Transitional housing is considered a residential use by the City and is allowed in any zone permitting residences. The City will revise its zoning code to reflect its current zoning practices and to identify homeless shelters and transitional housing as permitted uses in appropriate zoning districts

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Adopt Zoning Ordinance Revisions by December 2004
Funding: General Fund
Objective: Provide greater housing and shelter opportunities for homeless individuals and families

PROGRAM 11: Housing Opportunities for Low-Income Families

Action: Through its ongoing collaborations with nonprofit organizations and other public agencies to obtain funding for affordable housing projects and programs (see Program 15), the City shall seek to include housing units suitable for large families in new developments containing affordable housing, except in those projects designed specifically for non-family and small family special needs groups (such as seniors and persons with disabilities) by.

- Requiring that affordable family housing projects include three- and four-bedroom housing units, with the goal that the percentage of such units will match the percentage of large families in Grass Valley (six percent in 2000), unless the applicant can show that it would be financially infeasible to include such a percentage.
- Implementing and promoting recently adopted requirements of state law (Assembly Bill 305) for childcare facility density bonuses (see Program 13).
- Providing financial and regulatory incentives listed in programs 13 and 15 to facilitate the production of affordable housing.
- Providing density bonuses for projects that include minimum percentages of housing units affordable to very low- and/or low-income households (see Program 13).
- Making the use of state and federal funds, including bond proceeds or tax credits, for large family housing one of the City's priorities (see Programs 15 and 16).

The City will promote its efforts to encourage the production of large family housing through its website, website links to the Nevada County Housing Authority and nonprofit organizations providing affordable housing or operating programs in Grass Valley, pre-application meetings with affordable housing developers, and contacts with housing providers as part of the City's annual public workshops on the use of CDBG funds and Redevelopment Agency Housing Set-Aside funds.

Discussion: The Community Profile (Chapter II) identified affordable family housing as a priority. Low-income large families and single parents, in particular, face many challenges to obtaining suitable housing. Such families typically need low-cost housing with three or more bedrooms, often rental housing, and convenient access to childcare services.

Responsibility: Community Development Department
Timeframe: See Program 15
Funding: See Program 15
Objective: See Program 15

PROGRAM 12: Workforce Housing Study

Action: The City shall complete a study of options to provide “workforce” housing that is affordable to, and meets the needs of, residents who are employed locally. The study will include a Workforce Housing Design Program Implementation Report that addresses:

- Infill development opportunities, including densities, development standards and possible development incentive programs;
- Summary of architectural styles found in the Grass Valley area and how they relate to specific sites;
- Preliminary conceptual site and architectural plans including floor plans, elevations and conceptual development financial analysis for each of the three selected sites and unit types;
- Recommendations for revisions or additions to existing City regulations or policies to encourage infill development, and in particular the infill development of workforce housing units;
- Requirements for affordability of a specified number of housing units when the City grants exceptions to its development standards under its planned development process;
- Recommendations for policies and measures to maintain long-term affordability of units developed in the Workforce Housing Design Program, including identification of funding programs and development resources; and
- Creation of the “Workforce Housing Design Program” fact sheet/newsletter for reproduction and public distribution by the City summarizing the findings of the study.

The City will promote the results of the Workforce Housing Study through a website link; notification of local building industry, business, and realtor organizations; and distribution of the study to homebuilders and developers, particularly affordable housing providers.

Responsibility: Community Development Department, Planning Commission, City Council
Timeframe: Complete study by March 2004, implement thereafter, 2004 – 2009; regulatory changes to be completed by December 2005
Funding: CDBG (planning grant)
Objective: Provide greater housing opportunities for local workforce

GOAL C: To Meet the City's Low- And Moderate-Income Housing Needs

PROGRAM 13: Density Bonus

Action: The City shall revise its density bonus program to conform to current requirements of state law. The City will offer a density bonus of 25 percent and at least one other financial or regulatory incentive, as required by state law (California Government Code sections 65915 to 65918), whenever a developer proposes a residential project in which:

- At least ten percent of the housing units are affordable to very low-income households;
or

- At least 20 percent of the housing units are affordable to low-income households; or
- At least 50 percent of the housing units are designed for, and occupied by, qualifying senior housing units; or
- At least 20 percent of the housing units in a condominium project are affordable to moderate-income households; or
- At least 33 percent of housing units in a conversion of a rental apartment to condominium ownership are affordable to low- or moderate-income households, or 15 percent are affordable to lower-income (very low- and/or low-income) households.
- A housing development conforming to the requirements of California Government Code Section 65915 includes a childcare facility that will be located on the premises of, as part of, or adjacent to, the project.

The City shall require, in exchange for the density bonus and other incentives, that restrictions be imposed on the affordable units through a suitable legal instrument that ensures the affordability of those units for a minimum period of time and at a maximum cost as established by California Government Code Section 65915 or Section 65915.5 for condominium conversions.

For ownership projects, the City shall require, in exchange for the density bonus that purchasers meet established income guidelines and intend to occupy the affordable units as their primary residences. Homebuyers will be required to reside in their units for a minimum time period (as an anti-speculation mechanism) to avoid resale restrictions. If this minimum period is not met, the City will reserve the right to recapture a portion of the profit on the sale of a dwelling unit.

Discussion: Other incentives the City will consider in conjunction with density bonuses include, but are not limited to: fee reductions or deferrals, expedited permit processing, contributions of redevelopment tax increment housing set-aside funds, applying for or providing technical assistance in applying for state or federal funds, and the consideration of alternative development standards to reduce development costs. The City will determine, on a case-by-case basis, the appropriate incentive(s) to offer to make a proposed affordable housing development financially feasible.

Responsibility:	Community Development Department, Planning Commission, City Council
Funding:	Application fees to process density bonus requests; funding source for financial incentives from redevelopment housing set-aside fund
Timeframe:	Adopt revisions to Zoning Ordinance by December 31, 2005; review density bonus requests on a case-by-case basis until ordinance revisions are in place
Objective:	See Program 15

PROGRAM 14: Affordable Housing Requirements of Redevelopment Law

Action: The Grass Valley Redevelopment Agency shall continue to implement a plan for the use of tax increment housing set-aside funds and procedures for complying with the affordable housing provisions of redevelopment law (California Health and Safety Code sections 33334.2, 33413, and 33490), which require that:

- At least 20 percent of the Agency's tax increment funds be set-aside for housing benefiting low- and moderate-income households;
- At least 15 percent of any privately constructed or rehabilitated dwelling units within the Redevelopment Project Area be affordable to low- or moderate-income households, and
- At least 30 percent of any dwelling units constructed or rehabilitated by the Redevelopment Agency are affordable to low- or moderate-income households.

Discussion: The focus of the Agency's efforts regarding housing is concentrated in development and/or rehabilitation of low- and moderate-income housing. The Agency plans to use the funds to continue a first time homebuyer's down payment assistance loan program, implementation of a housing rehabilitation program that is supplementary to the City's existing program.

Responsibility: Redevelopment Agency to approve plan for use of housing set-aside funds.
Planning Department to implement plan

Funding: Redevelopment housing set-aside fund

Timeframe: Continue implementation of 2000 – 2004 plan; update implementation plan in 2005

Objective: Increase the availability of new or rehabilitated housing through Redevelopment Agency activities and funding

PROGRAM 15: Pursue State and Federal Funding for Affordable Housing

Action: The City shall continue to pursue available and appropriate state and federal funding sources in cooperation with private developers, nonprofit housing corporations, the Nevada County Housing Authority, and other interested entities to support efforts to meet the housing needs of low- and moderate-income households and to assist persons with rent payments required for existing units. The City's efforts to support affordable housing activities by others will include expedited processing of permits (particularly when needed to meet funding deadlines), the provision of demographic or other information needed for an application, letters of support for proposals that have received approval (preliminary or final) by the City, and consideration of redevelopment housing set-aside funds (to the extent available) to match state or federal funds.

The City will promote the availability of housing assistance through its website, website links to the Nevada County Housing Authority and nonprofit organizations providing affordable housing or operating programs in Grass Valley, information at the Community Development Department public counter and other public locations within the City, and information in the *Grass Valley Messenger*, the City's newsletter.

Discussion: Grass Valley has applied for, and received, several state and federal grants for the construction, rehabilitation, or purchase of affordable housing for low- or very low-income households. Since 1993, the City has received CDBG and HOME program funding for the construction of affordable housing units, the rehabilitation of substandard housing units, and first-time homebuyer assistance. The City will continue this level of effort and support funding requests by nonprofit and for profit housing providers that does not have direct involvement by the City (such as for the sale of tax credits state or federal loan or insurance programs that provide assistance directly to the developer).

Responsibility:	Community Development Department, Planning Commission, City Council
Funding:	California Multifamily Housing Program California Housing Finance Agency (HELP Program) California Housing Finance Agency direct lending programs (single-family and multifamily) Low-Income Housing Tax Credits (state & federal) CalHome Program Federal Home Loan Bank – Affordable Housing Program Federal Department of Housing and Urban Development Programs – Section 221(d), Section 202 (elderly), Section 811 (persons with disabilities) Child Care Facilities Finance Program (administered through the State of California), Special Housing Needs and Supportive Services Mortgage Revenue Bonds or Mortgage Credit Certificates (see Program 16)
Timeframe:	Current and ongoing, 2003 – 2009; meet annually with housing providers to establish funding priorities; apply quarterly for available funding based on annual priorities and the funding schedule of the state or federal program
Objective:	New Construction: 50 very low-income units, 125 low-income units Homebuyer Assistance: 5 very low-income, 25 low-income, and 25 moderate-income homebuyers

PROGRAM 16: Tax Exempt Bonds and Mortgage Credit Certificates

Action: The City shall investigate the feasibility of becoming a member of a joint municipal power agency for the purpose of pooling resources to issue tax exempt bonds or mortgage credit certificates for financing the construction of affordable housing or providing financial assistance to low- and moderate-income homebuyer assistance.

Discussion: The administrative capacity of Grass Valley does not support an independent application by the City for the authority to issue bonds or mortgage credit certificates. The City could apply for an allocation through a consortium of municipal governments. Grass Valley will explore this possibility. Mortgage Revenue Bonds, a type of tax-exempt bond, can be used through various California Housing Finance Agency (CHFA) programs in which the City or Redevelopment Agency supports a developer's application for multi-family or single-family housing for low- and moderate-income households.

Responsibility:	Redevelopment Agency
Funding:	Tax Exempt Bonds, tax increment funds for Agency costs to participate in joint powers authority
Timeframe:	Investigate feasibility of participation and report to the Agency Directors (City Council) by December 2004; if determined to be feasible, begin participation by June 2005
Objective:	Increase the availability of funding options for new or rehabilitated housing

PROGRAM 17: Community Reinvestment Act

Action: The City shall contact financial institutions serving Grass Valley to solicit interest in providing financing to low- and moderate-income housing as part of their responsibility under the federal Community Reinvestment Act. The City will seek specific lending commitments in conjunction with Redevelopment Agency, state, and federal funds.

Discussion: Grass Valley will continue its past practice of conducting presentations to local banking institutions regarding the City's housing programs and solicitation for their participation in both the housing rehabilitation and first-time homebuyer assistance programs.

Responsibility: Community Development Department
Funding: General Fund
Timeframe: Annual presentations, 2003 – 2009, additional meetings with specific lenders as needed
Objective: Increase the availability of funding options for new or rehabilitated housing

GOAL D: To Preserve the Existing Housing Stock and Conserve Existing Affordable Housing Opportunities

PROGRAM 18: Housing Rehabilitation Programs

Action: The City shall continue to use local, federal, and state for funds for housing rehabilitation, provide loans for both owner-occupant and rental rehabilitation, and offer grants to homeowners for emergency repairs. The City will promote this program through a City website link, information at the Community Development Department public counter and other public locations in Grass Valley, and program information in the *Grass Valley City Messenger*.

Discussion: Under the City's current program, individuals who own homes or apartments within Grass Valley are eligible to receive loans or grants to repair their properties if they, or their tenants, meet income eligibility guidelines. For owner occupants, the maximum loan amount is \$60,000 amortized at one percent for 15 years. Very low-income owners may be eligible for deferred loans. For rental property owners, the maximum loan amount is \$80,000 for a two-unit structure, plus \$15,000 for each additional unit. Tenants must meet income qualifications and a fair market rent agreement is required. Under the Emergency Repair Program, the City offers grants of up to \$2,000 for emergency repairs to owner-occupied properties. Each property owner is eligible only once for the grant.

Responsibility: Community Development Department
Funding: CDBG, HOME, redevelopment housing set-aside funds
Timeframe: Current and ongoing, 2003 – 2009
Objective: Rehabilitation of 25 very low-income housing units and 25 low-income housing units

PROGRAM 19: Preservation of At-Risk Housing

Action: The City shall work with property owners, other public agencies, and non-profit housing organizations to preserve existing subsidized rental housing in which the owner could increase rents to market rates within the next ten years. To encourage existing owners to maintain the affordability of such rental housing, the City would offer low-interest rehabilitation loans from its Redevelopment Housing Set-Aside Fund, subject to the availability of funding at the time of request; assist owners in applying for state or federal assistance for refinancing, acquisition, and/or rehabilitation; or provide "gap" financing to interested public agencies or nonprofit housing organizations interested in purchasing "at-risk" rental housing developments.

The City shall monitor properties identified as being potentially at-risk to ensure that property owners comply with state and federal notification requirements. For properties that are within the 24 months of potential conversion, the City will meet with property owners to determine their plans and the type(s) of assistance desired, if any, to maintain the affordable status of the rental housing units. For owners who intend to sale their rental properties, the City will identify interested nonprofit organizations willing to acquire and continue operating the rental properties as affordable housing.

Discussion: The City has identified 455 subsidized rental housing units in Grass Valley, all assisted by the U.S. Department of Agriculture, Rural Housing Services Division, "515" Program (see Table II-25). According to an official at the local USDA field office in Grass Valley, none of these projects is considered to be at risk of conversion to market rate housing over the next ten years due to program restrictions and the age of the properties. However, the City will continue to monitor the status of these properties should federal program restrictions change in a way that would increase the risk of conversion.

Responsibility:	Community Development Department
Funding:	General Fund
Timeframe:	Annual monitoring, 2003 – 2009; meetings with property owners as needed
Objective:	Preserve the affordability of 455 assisted rental housing units

PROGRAM 20: Rental Assistance

Action: The City shall continue to cooperate with the Nevada County Housing Authority in its administration of the federal Housing Choice Voucher (formerly called "Section 8") rental assistance program to maintain the availability of housing vouchers in Grass Valley. The City's role will be to:

- Provide necessary documentation to the Housing Authority to apply for annual commitments from the U.S. Department of Housing and Urban Development;
- Encourage rental property owners who have participated in the City's housing rehabilitation program to participate in the Housing Choice Voucher program;
- Provide information on the rental assistance program in the City's newsletter, *Grass Valley Messenger*, and at the Community Development Department's public counter; and
- Provide a website link to the Housing Authority

Responsibility: Community Development Department
Funding: General Fund
Timeframe: Annual collaboration with the Housing Authority during federal funding request; information distribution, current and ongoing, 2003 – 2009; ongoing promotion of rental assistance program to rental property owners
Objective: Maintain availability of rental assistance to Grass Valley residents

PROGRAM 21: Preservation of Mobilehome Parks

Action: Grass Valley shall meet with mobilehome park owners to discuss their long-term goals for their properties and the feasibility of preserving these parks. Feasibility will be evaluated based on the condition of park infrastructure and buildings, the condition of mobilehomes located in the park, parcel size, accessibility to services, and surrounding land uses. For those parks that are feasible to preserve, the City will:

- Assist property owners in accessing state and federal funds for park improvements by preparing funding requests, providing information to park owners on state and federal programs, and/or providing referrals to nonprofit organizations who can assist in preparing funding requests.
- Require, as condition of approval of change of use, that mobilehome park owners who desire to close and/or convert their parks another use provide relocation or other assistance to mitigate the displacement of park residents, as required by California Government Code Section 65863.7. The City shall also require the park owner to provide evidence of resident notification of intent to close and/or convert the mobilehome park, as required by state law.

Discussion: According to the California Department of Housing and Community Development, Grass Valley contains six mobilehome parks with 444 spaces. Four of these parks contain fewer than 50 spaces each. It may not be feasible to preserve all of the mobilehome parks in Grass Valley, particularly smaller parks without adequate infrastructure and amenities to provide a suitable residential environment.

Responsibility: Community Development Department
Funding: CDBG, HOME, California Housing Finance Agency HELP program, California Mobilehome Park Resident Ownership Program
Timeframe: Meet with park owners and determine feasibility of preservation by December 2006
Objective: Preserve the condition and affordability of larger mobilehome parks containing 360 spaces; provide relocation assistance to residents of parks that are not feasible to preserve

PROGRAM 22: Housing Survey

The City shall conduct a housing survey to document its efforts at improving housing conditions and to identify future areas and housing types for targeting its code enforcement, housing rehabilitation assistance, and neighborhood improvement efforts. The survey will also update the City's inventory of historic residential structures and rehabilitation/preservation needs of these residences.

Responsibility: Community Development Department
Timeframe: Complete survey and report to the City Council by June 2005, with an annual update prepared by the Community Development Department for review by the Planning Commission and City Council
Funding: CDBG, HOME, redevelopment housing set-aside fund
Objective: Document housing conditions and establish priorities for future code enforcement, housing rehabilitation assistance, and neighborhood improvement efforts

PROGRAM 23: Housing Code Enforcement

The City shall continue to combine code enforcement and housing rehabilitation assistance, targeted to older neighborhoods with concentrations of substandard housing. Code enforcement will occur primarily on a complaint or request basis. The code enforcement officer will provide the resident and/or property owner with information on the City's housing rehabilitation assistance program.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2003 – 2009
Funding: CDBG, HOME, inspection fees, redevelopment housing set-aside funds
Objective: Improve substandard housing conditions through correction of code violations

PROGRAM 24: Re-Use of Large, Older Homes

The City shall permit the re-use of large, older homes located in the Downtown area and R-2 and R-3 zoning districts as multi-unit residential structures, provided historic preservation policies of the General Plan Historical Resources Element are followed and the re-use is consistent with zoning requirements. The City will assist in the re-use of older homes that require rehabilitation if the property owner intends to sell or rent the units to low- or moderate-income households. Assistance will be in the form of loans under the City's housing rehabilitation program or first-time homebuyer program for re-use projects that create multi-unit ownership properties. (See programs 15 and 18 for details on the housing rehabilitation and first-time homebuyer programs).

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2003 – 2009
Funding: CDBG, HOME, permit fees
Objective: To efficiently re-use and preserve existing residential structures and increase the supply of housing

PROGRAM 25: Demolition of Historic Residences

The City shall adopt an ordinance that discourages or prohibits the demolition of historic structures, including historic residence. The City will use incentives available under programs 17 and 23 to assist owners of historic structures who do not have the financial capacity to maintain their properties. The City will make the community aware of the ordinance through a link to the City's web site, an informational flyer at the Community Development public counter, and distribution of information to local historic preservation organizations.

Responsibility: Community Development Department
Timeframe: Adopt Ordinance by June 2004
Funding: General Fund, implementation to be funded from permit fees
Objective: To preserve Grass Valley's historic and architecturally significant structures

GOAL E: To Assure that All Present and Future Residents Have Equal Access to Housing Commensurate with their Financial Capacity

PROGRAM 26: Fair Housing Program

Action: The City shall continue to promote equal housing opportunity for all persons regardless of race, religion, sex, marital status, ancestry, nation origin, or color by supporting efforts of community groups that provide counseling, investigatory, legal, or referral services to victims of discrimination. Specifically, the City will:

- Maintain information on state and federal fair housing laws at the Community Development Department and other public places for public distribution;
- Train City staff at the public counter to refer victims of housing discrimination to the appropriate local organization or to the State Fair Employment and Housing Commission;
- Seek the cooperation of the local homebuilders association, Realtor association and lenders in disseminating fair housing information; and
- Identify an annual community event at which fair housing information can be distributed.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2003 - 2009; identify annual event in 2004 and include fair housing information beginning 2005 and thereafter
Funding: CDBG, redevelopment housing set-aside funds, General Fund
Objective: Educate the public on fair housing issues, reduce housing discrimination, and promptly resolve housing discrimination complaints

GOAL F To Promote Residential Energy Conservation

PROGRAM 27: Energy Conservation for New Construction and Residential Design

Action: The City shall continue to enforce state energy efficiency requirements for new residential construction (Title 24 of the California Code of Regulations) and shall encourage, through the City's residential design guidelines, additional energy conservation measures with respect to the siting of buildings, landscaping, and solar access.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2003 – 2009
Funding: Permit fees
Objective: Reduce residential energy consumption

PROGRAM 28: Weatherization and Energy Conservation for Existing Dwelling Units

Action: The City shall post and distribute information on currently available weatherization and energy conservation programs in conjunction with the housing rehabilitation.

Responsibility: Community Development Department
Timeframe: Current and ongoing, 2003 – 2009
Funding: CDBG, HOME, redevelopment housing set-aside funds
Objective: See Program 18

E. Quantified Objectives

The City of Grass Valley has established quantified (numerical) objectives for several program categories to provide measurable standards for monitoring and evaluating program achievements. Quantified objectives have been established for accommodating the City's share of Nevada County's future housing needs, new housing construction, housing rehabilitation, the preservation of existing affordable housing, and homebuyer assistance. The quantified objectives for the City's share of Nevada County's future housing needs and housing construction differ because the housing construction objective is based on the City's estimate of the number homes that will actually be constructed and affordable to each income group. The future housing needs objective addresses the City's ability to accommodate housing based on the availability of appropriately zoned vacant and underutilized land, with public services and facilities. These homes may or may not be built depending on market trends and the availability of funding assistance to developers of affordable housing.

**Table IV-2
Quantified Objectives (2004 to 2009)**

Income	Accommodate Regional Share ¹	New Construction ²	Homebuyer Assistance	Housing Rehab. ³	Conservation of Affordable Housing	
					Rental Housing ⁴	Mobilehomes ⁵
Very Low	274	80	5	25	455	360
Low	261	230	25	25		
Moderate	333	200	25	--	--	
Above Moderate	580	580	--	--	--	
Total	1,448	1,090	55	50	455	360

1. Quantified objectives are for the 2001 - 2009 Nevada County Housing Allocation Plan
2. Quantified objectives cover 2001 - 2009, including housing units constructed between 2001 and 2009, based on anticipated market rate housing production (for moderate-and above moderate-income), availability of financial resources to assist in the construction of very low- and low-income housing, and the City's past track record of producing affordable housing
3. Based on historic level of performance under the housing rehabilitation program
4. Based on the conservation of 455 existing subsidized rental housing units—the City does not have specific information on the number of very low-income versus low-income units
5. Based on the number of mobilehomes in parks with 50 or more spaces; although the majority of mobilehome park residents are likely to have very low- or low-incomes, the City does not have specific information on the income levels of mobilehome park residents

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